OSTRUM SRI EURO SOVEREIGN BONDS
An open-ended investment company (Société d'investissement à capital variable – SICAV)
Initial share capital: EUR 45,735,620
Registered office: 43 Avenue Pierre Mendès-France
75013 Paris, France
Paris Trade and Companies Register (RCS) No. 393 631 593

FINANCIAL YEAR 2022/2023

ANNUAL REPORT

Comprising:

- **The Management Report (Article L. 225-100 Para. 2 of the French Commercial Code)**
- **The Corporate Governance Report (Article L. 225-37 of the French Commercial Code)**

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SECTION 1 – MANAGEMENT REPORT PREPARED BY THE BOARD OF DIRECTORS AND PRESENTED TO THE ANNUAL ORDINARY GENERAL MEETING DATED 17 JULY 2023

Dear Shareholders,

In accordance with the law and the Articles of Association, we have convened this Annual General Meeting in order to report to you on the position and activity of the company over the financial year ended 31 March 2023 and to submit the annual financial statements for the year for your approval.

We will provide you with any clarifications and additional information about the papers and documents that are required by the regulations in force and that have been made available to you within the legally required timescales.

You will then be presented with the statutory auditor's reports.

I - COMPANY OPERATIONS

Identification of the SICAV

- Name: OSTRUM SRI EURO SOVEREIGN BONDS
- Classification: Bonds and other debt securities denominated in euros
- Delegated investment, administrative and accounting manager:
  Natixis Investment Managers International, delegated management company (hereinafter the "Management Company" or "Portfolio Management Company")
  43 Avenue Pierre Mendès-France, 75013 Paris, France
- Accounting and financial management delegated to:
  - CACEIS FUND ADMINISTRATION
    - Registered office: 89-91 Rue Gabriel Péri, 92120 Montrouge, France
    - Postal address: 12 Place des États-Unis, 92549 Montrouge Cedex, France
  - OSTRUM ASSET MANAGEMENT
    - 43 Avenue Pierre Mendès-France, 75013 Paris, France
- Locations and addresses of institutions authorised to receive subscriptions and redemptions
  - CACEIS BANK
    - Registered office: 89-91 Rue Gabriel Péri, 92120 Montrouge, France
    - Postal address: 12 Place des États-Unis, 92549 Montrouge Cedex, France
- ISIN codes:

R shares	
R(C) share:	FR0000003196
R(D) share:	FR0000171233
I share	
I(C) share	FR0010655456
N shares	
N(C) share:	FR0011505098
N(D) share:	FR0013309846
UNICREDIT share	
UNICREDIT share:	FR0012872083
SN share	
SN(C) share:	FR0013029113

- Allocation of distributable sums:

➢ ***R shares:***

This share class may involve either accumulation or distribution.
Switching from one share class to another is treated as a sale followed by a subscription, and is therefore subject to the tax regime for capital gains from the disposal of transferable securities.
The distributable income is divided between the two share classes.
The portion attributable to R(C) shares is transferred to the capital of this share class, and the portion attributable to R(D) shares is distributed in the form of an annual dividend.

➢ ***N shares:***

This share class may involve either accumulation or distribution.
Switching from one share class to another is treated as a sale followed by a subscription, and is therefore subject to the tax regime for capital gains from the disposal of transferable securities.
The distributable income is divided between the two share classes.
The portion attributable to N(C) shares is transferred to the capital of this share class, and the portion attributable to N(D) shares is distributed in the form of an annual dividend.

➢ ***I(C), UNICREDIT and SN(C) shares:***

I(C), UNICREDIT and SN(C) shares are accumulation shares. The sums available for distribution are reinvested in full, with the exception of amounts subject to mandatory distribution as required under French law.

Investment policy – Target subscribers

- Management objective

The SICAV has two objectives:

- to outperform the JP Morgan EMU Global index (closing value) by way of active management of modified duration and of the yield curve of the different eurozone states;
- to implement a socially responsible investment (SRI) strategy.

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

- Benchmark index:

The benchmark index is the JP Morgan EMU Global Index. This index measures the performance of eurozone government bonds of any maturity.
It is calculated with coupons included.

The JP Morgan EMU Global index provider is JP Morgan, whose website is: www.jpmorgan.com. As of the effective date of the prospectus, the administrator of the reference index is not yet included in the register of administrators and reference indices held by ESMA.

It must be noted that as the management of the SICAV is not index-based, the SICAV's performance may, if required, differ considerably from that of its benchmark index.

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 benchmark 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 (the so-called "SFDR Regulation") is not intended to be aligned with the environmental or social ambitions promoted by the SICAV.

- Recommended investment period:

The recommended minimum investment period is more than three years.

- Target subscribers and typical investor profile:

The SICAV is intended for all subscribers.

However, it is specifically aimed at institutional investors and/or legal entities that are:

- seeking a medium-term valuation of all or part of their portfolio with a regular increase in the net asset value and who accept compensation close to the money market; and/or
- obliged to invest in stocks issued or guaranteed by European Union member states or states party to the agreement on the European Economic Area.

The recommended minimum investment period is more than three years.
The SICAV's shares may not be offered or sold in the United States of America or to or on behalf of a "US Person" as defined by Rule 902 of Regulation S in accordance with the United States Securities Act 1933. Prospective unitholders must confirm that they are not a US Person and that they are not subscribing on behalf of a US Person or with the intention of reselling the units to a US Person.

Taking into account the provisions of Council Regulation (EU) No. 833/2014, subscription to shares of this Fund is prohibited to any Russian or Belarusian national, to any natural person residing in Russia or Belarus, to any legal person, entity or body located in Russia or Belarus, except for nationals of a member state or any natural persons holding a temporary or permanent residence permit in a Member State.

The SICAV has five share classes.

R shares are open to all subscribers.

I(C) shares are open to all subscribers, but are specifically intended for institutional investors and legal entities subscribing for an initial amount of EUR 100,000.

N(C) and N(D) shares are reserved for investors subscribing through distributors or intermediaries that:

- are subject to national legislation prohibiting all retrocessions to distributors;
or
- provide an independent advisory service as defined by the MiFID II European regulation or an individual management service under mandate

UNICREDIT shares are open to all subscribers, but are specifically intended for Unicredit.
SN shares are open to all subscribers, but are specifically intended for shareholders investing through an NGAM distributor.

Shareholders are advised to refer to the KIID or prospectus available from the SICAV's delegated Management Company for more information on the investment strategy and exposure to risk.

Net asset value

On 31 March 2023, the net asset value of the SICAV was:

For R shares:

R(C) shares: €471.52, i.e. a decrease of €66.43 compared to the net asset value of €537.95 at 31 March 2022;
R(D) shares: €288.29, i.e. a decrease of €41.46 from the net asset value of €329.75 at 31 March 2022;
i.e. a performance, net of fees, of -12.35%.

Over the recommended minimum investment period (more than three years), the performance, net of fees, of the SICAV's R shares is -5.68%.

<u>For I(C) shares</u>: €144,716.68, i.e. a decrease of €19,978.02 compared to the net asset value of €164,694.70 as at 31 March 2022;

i.e. a performance, net of fees, of 12.13%.

Over the recommended minimum investment period (more than three years), the annualised performance, net of fees, of the SICAV's I (C) shares is -5.45%.

<u>For N shares:</u>

<u>N(C) shares</u>: €931.09, i.e. a decrease of €129.07 compared to the net asset value of €1,060.16 as at 31 March 2022;
<u>N(D) shares</u>: €0, i.e. a decrease of €1,202.17 compared to the net asset value of €1,202.17 at 31 March 2022;

i.e. a performance, net of fees, of -12.17%.

Over the recommended minimum investment period (more than three years), the annualised performance, net of fees, of the SICAV's N share is -5.49%.

<u>For UNICREDIT (C) shares</u>: €930.31, i.e. a decrease of €128.19 compared to the net asset value of €1,058.50 at 31 March 2022; i.e. a performance, net of fees, of -12.11%.

Over the recommended minimum investment period (more than three years), the annualised performance, net of fees, of the SICAV's UNICREDIT share is -5.44%.

<u>For the SN(C) share</u>: €918.23, i.e. a decrease of €125.55 compared to the net asset value of €1,043.78 at 31 March 2022; i.e. a performance, net of fees, of -12.03%.

Over the recommended minimum investment period (more than three years), the annualised performance, net of fees, of the SICAV's SN(C) share was -5.34%.

The performance figures quoted relate to previous years. Past performance is not a reliable indicator of future performance.

- **<u>Financial instruments held in the portfolio issued by the service provider or group entity</u>**

In accordance with the General Regulation of the Autorité des Marchés financiers (AMF), investors are informed that the portfolio holds €18,132,808.42 in UCIs managed by entities of the BPCE group and its subsidiaries.

- **<u>Threshold crossing</u>**

The threshold was not crossed during the financial year ended 31 March 2023.

- **<u>Swing pricing</u>**

The Management Company has set up a swing pricing system for the net asset value with a trigger threshold since 10 October 2016. This information is available to shareholders in the prospectus of the SICAV, available at the head office of the delegated Management Company.

- **<u>Information regarding research funding</u>**

Natixis Investment Managers International has chosen to bear the cost of research on its own income statement for all of the portfolios it manages.

II - MANAGEMENT REPORT

a) Investment guidelines

The past year was marked by the conflict in Ukraine, an energy shock in the eurozone, an accelerated rise in inflation and a clear tightening of monetary policies. The year closed with turbulence in the banking sector following the bankruptcy of three American regional banks and the forced takeover of Crédit Suisse.
These various shocks and the end of the post-Covid catchup effect resulted in a slowdown in global growth. While fears were high in late 2022 that the eurozone would enter a recession, it was able to avoid this scenario thanks to support measures taken by the governments and falling petrol prices. In the financial markets, the faster and stronger tightening of monetary policies caused a sharp spike in interest rates, more notably on the short part of the bond yield curve. The equities markets posted fluctuations over the year.

Macroeconomic environment

The year was marked by a sharp acceleration of inflation. The war in Ukraine intensified pressures on prices, especially for energy and food, while inflation was already high due to the major adjustments that were made during and after the Covid-19 crisis. Russia was the leading energy supplier of the European Union before the war (40% of EU imports). The marked decline in Russian natural gas supplies, within a context of low inventory levels, therefore generated a sharp increase in its price. The price of natural gas in Europe (TTF index) hit a historic high at nearly €340 per megawatt hour (MWh) on 26 August, before falling below €50, to €48, on 31 March 2023. This decline is related to the strong reconstitution of natural gas inventories by the various countries, primarily through the increase use of liquefied natural gas from reliable suppliers and lower demand. Prices, however, still remain high compared to the average of €16 per MWh over the period from 2015–2020. The war also led to a significant increase in tensions on food prices. Russia and Ukraine are the world’s leading grain suppliers, and the price of fertilisers rose sharply with the increase in the price of natural gas.

As a result, inflation in the eurozone reached a historic high at 10.6% in October, driven primarily by the increase in energy prices, before beginning to slow to return to 6.9% in March 2023. This is tied to the smaller contribution of energy prices as a result of a significant base effect. Underlying inflation (excluding food and energy) also rose sharply to reach a historic high of 5.7% in March 2023. This is the result of the spread of rising energy prices to a greater number of sectors, but also of domestic tensions linked to rising wages and unit profits. In the United States, inflation rose to a 40-year high of 9.1% in June, before falling to 5% in March 2023. It has eased because of the smaller contribution of energy and goods and, to a lesser extent, of food prices. It still remains high and well above the target of 2% followed by the Federal Reserve (Fed). Underlying inflation also accelerated sharply to reach a 40-year high of 6.6% in September before falling to 5.7% in December and 5.6% in March 2023. This reflects the domestics pressures in the services sector related primarily to salary increases.

In the United States, growth slowed down over the course of the previous year after benefiting from a strong upturn in 2021 following the massive recovery measures taken by the Biden government to ease the shock of the Covid-19 crisis. Household consumption was curbed due to the loss of purchasing power linked to high inflation. While business investment remained sound, the residential real estate market contracted sharply due to the sharp rise in mortgage rates and continued high prices in the real estate sector. Nevertheless, it showed signs of stabilising over the first months of 2023. The labour market remained very strong (historically low unemployment rate at 3.5% in March 2023), which notably allowed consumption to rebound in the first quarter of 2023. Surveys conducted with business leaders in March 2023 suggested a slowdown in growth, with the Fed's strong monetary tightening expected to weigh on domestic demand. Adding to these concerns were fears of the further tightening of credit terms following the turbulence in the banking sector, which could impact demand even more and intensify the risk of recession in the second half of 2023.

Although the war in Ukraine generated fears of a severe recession in the eurozone, given its high dependency on Russian energy, growth remained resilient thanks to the broad measures taken by the governments to protect households and companies from the energy shock and the decline in gas prices as from September. Germany has been by far the most reactive and has spared no resources, given the fragility of its heavy dependence on Russian energy and its considerable budgetary leeway. Thus, it announced measures for a total of €265 billion, representing more than 7% of its GDP according to Bruegel. This represents slightly more than 40% of the support measures taken by all the governments of the European Union (€646 billion between September 2021 and March 2023). In Spain and Italy, growth benefited from the resumption of service activities, particularly tourism and catering. However, this impetus gradually died out at year-end 2022, due to the end of the catch-up effect and then the loss of purchasing power suffered by households. After recording no growth in the fourth quarter, recovery began in the eurozone in the first quarter of 2023 in light of the improvement in surveys conducted with business leaders.

After recording a strong post-Covid upturn, growth slowed sharply in the United Kingdom, barely avoiding a recession in the second half of 2022. Household consumption has been affected by loss of purchasing power. Faced with the sharp deterioration in the growth outlook, the brief government of Liz Truss announced a “mini” budget on 23 September 2022, containing vast unfinanced tax cuts. This created genuine panic on the bond markets due to the risks that it caused for debt sustainability, forcing the Bank of England to intervene urgently to preserve financial stability. The United Kingdom ultimately escaped recession, but saw flat growth over the last three quarters of 2022. Consumption benefited from the continued robust labour market and the government support measures to protect the country from the increase in energy prices. Early in 2023, the surveys improved suggesting a slight improvement in activity.

In China, growth slowed after being one of the few economies not to experience a recession in 2020 before recovering early in 2023. It was affected by the different waves of Covid-19, which led it to introduce strict lockdown measures in view of its zero-Covid policy. The government’s clampdown on certain sectors was also a factor. Added to this was the marked slowdown in the property market as a result of the measures taken by the government as part of President Xi Jinping’s campaign to combat income inequality. This resulted in a fall in property prices, weakening the most indebted developers, such as Evergrande. Fears about the sector led the Chinese central bank to relax its monetary policy and the government to take targeted support measures (infrastructure and real estate). On 7 December, China surprised the world when it announced it was abandoning its zero-Covid policy with a general relaxing of the health rules. The indicators available in March 2023 showed a clear upturn in activity, particularly in the services sector, which had been heavily penalised by strict restrictions on mobility, and a stabilisation in the property market. This recovery was achieved in the absence of inflationary pressure.

Emerging countries were affected by the slowdown in the Chinese economy, the sharp rise in energy and food prices and the depreciation of their currency compared to the dollar. Some of them had no choice but to raise their key rates in order to preserve their financial stability and fight high inflation as their economies started to slow down significantly. The war in Ukraine also caused food prices to rise further from their already historic highs. The high level of dependence of some emerging countries on grain imports from Russia and Ukraine makes them particularly vulnerable to the risks related to supply and high prices. This has increased the risk of social unrest and famine. During the third quarter of 2022, the IMF and China intervened to ease the debt burden of the most fragile countries. Given that inflation has peaked in many countries, some have cautiously paused monetary policy tightening during Q1 2023. This suggested that easing would continue for the rest of the year, facilitated by the fact that the Fed is very close to completing its rate hike cycle.

Central banks made a 180 - degree turn by ending the highly accommodative monetary policies that had been adopted as a way of dealing with the Covid-19 crisis, and sharply increasing their key rates. The absolute priority is to combat inflation at the risk of impacting growth and triggering a recession.

In the United States, the Fed increased its rates by a total of 475 basis points between March 2022 and March 2023, bringing the range for federal funds to [4.75%; 5.0%]. The “extremely tight” labour market and “much too high” inflation led the Fed to raise its rates by 75 basis points (the highest increase since 1994) at four consecutive meetings between the months of June and November. The central bank also ended its purchases of financial assets at the end of March 2022 and then began to reduce reinvestments in bonds reaching maturity beginning in June.

In March 2023, when Jerome Powell had just signalled that the Fed was ready to raise rates further than planned at its December meeting, the announcement of the bankruptcies of the regional banks Signature Bank and SVB dissuaded it from doing so. The Fed intervened massively and rapidly, creating a new loan facility and the Treasury, together with the banking supervisory authority (the FDIC), guaranteed all the deposits of these two banks, including those that were not insured. These measures prevented contagion throughout the banking system and allowed the Fed to raise rates by 25 bp, rather than 50 bp as it had suggested, to combat inflation that was still too high. It has remained vague on the continuation of future hikes. It fears that the banking turmoil could lead to a further tightening of credit conditions by commercial banks, which could weigh on demand and hence inflation. This will thus reduce the need to raise interest rates. This is why it has left its Fed funds expectations unchanged between now and the end of 2023 (with the median at 5.1%), suggesting only a single rate hike of 25 bp in May. It is also anticipating a slight recession in the second half of 2023.

The ECB was the last of the major central banks to raise its rates, excluding the Bank of Japan. Until June 2022, it maintained its rates at historically low levels (0% for the refinancing rate, -0.50% for the deposit rate and 0.25% for the marginal lending rate). After reducing its purchases under the Pandemic Emergency Purchase Programme (PEPP), it ended the programme at the end of March 2022, as expected. To avoid tapering too quickly, it temporarily increased the size of its financial asset purchase programme (APP) to €40 billion a month in April and €30 billion a month in May, before dropping back down to €20 billion in June. It ended its APP purchases as of 1 July 2022. It also extended the reinvestment period for securities acquired under the PEPP reaching maturity until the end of 2024, providing some flexibility if required.

The ECB began to raise its rates on 21 July 2022 (+50 bp, up from the +25 bp announced earlier in June) to counter the high inflation. From July 2022 to March 2023, the central bank raised rates by a total of 350 basis points to bring the deposit rate to 3%, having been negative since June 2014. Like the Fed, it raised interest rates by 75 bp in September and October for the first time.

In order to fight the risk of fragmentation, which prevents the transmission of the monetary policy to all countries of the eurozone, the ECB created a new instrument: The “Transmission Protection Instrument” (TPI). It may be activated “as a tool against unwarranted disorderly market dynamics that represent a serious threat for the transmission of monetary policy in the eurozone”. Unlimited in size, all States are eligible for it provided that they meet four criteria: compliance with the EU fiscal framework, absence of severe macroeconomic imbalances, sustainability of the trajectory of public debt and sound and sustainable macroeconomic policies, compliant with the recovery and resilience plans.

In October, the ECB also announced the first measures intended to reduce the size of its balance sheet via a change in the conditions of the TLTRO. By making these targeted long-term refinancing operations less attractive, early repayments have increased, leading to a reduction in the size of its balance sheet. Finally, beginning in March 2023, the ECB began its quantitative tightening (QT) by reducing the reinvestments of securities acquired under the Asset Purchase Programme (APP) and reaching maturity. The reduced has been set at an average at €15 billion per month between March and June, and this rate may be subsequently revised.

In the United Kingdom, the Bank of England, which was the first of the large central banks to raise its rates in December 2021, continued to tighten its monetary policy in order to fight inflation. It has raised rates by 350 bp over the past year, taking its key rate to 4.25% in March 2023 from 0.10% in November 2021. The announcement of the “mini” budget from the Truss government on 23 September forced the BoE to postpone the reduction of its balance sheet by one month and to take urgent measures in view of the risks affecting financial stability. The sharp rise in long-term rates resulted in unprecedented margin calls for pension funds which, due to a lack of sufficient liquidity, found themselves forced to sell the bonds held in their assets, thereby accentuating the tensions on the long-term rates. To calm the markets, the BoE intervened massively by purchasing bonds. Then the nomination of Jeremy Hunt as Chancellor of the Exchequer and Rishi Sunak as Prime Minister reassured investors. Most of the massive unfinanced tax cuts that had previously been announced by the brief government of Liz Truss were eliminated.

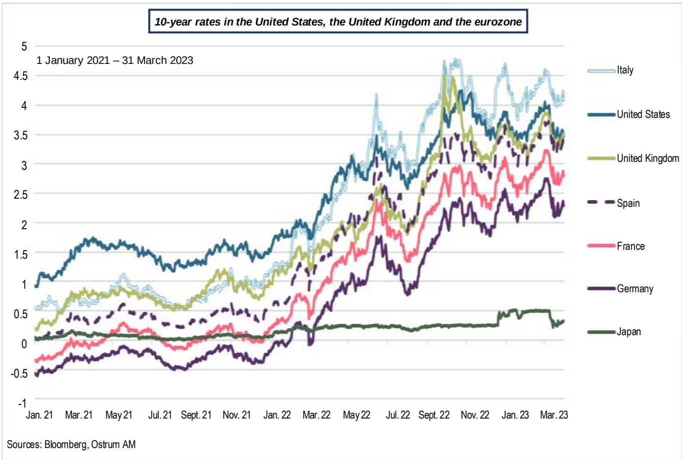
The Bank of Japan (BoJ) surprised the markets on 20 December by expanding the fluctuation band around the 0% target for the 10-year rate, bringing it to [-0.50%; +0.50%] compared to [-0.25%; +0.25%] previously. This generated a strong increase in bond rates and forced the BoJ to make massive purchases of government bonds to defend this new range. This decision was justified to improve the functioning of the zero-rate policy, but investors interpreted it as a step towards normalising the monetary policy. This difficult task would fall to Kazuo Ueda, who took over as head of the BoJ in April 2023.

Financial markets

Over the past year, sovereign bond yields have risen sharply on both sides of the Atlantic, with the sharp acceleration and persistence of inflation justifying a faster and stronger than expected tightening of monetary policy.

Sovereign bond rates increased sharply over the past year when they had been established at very low levels following the Covid-19 crisis. The war in Ukraine and its consequences on energy prices, food prices and supply chain tensions caused a strong surge in inflation from already high levels. Thus, the central banks clearly hardened their tone and raised their key rates more than predicted.

This movement of sharp increases was not linear. It was punctuated by four temporary phases of easing rates.



The first took place between mid-June and the month of July. Investors wrongly anticipated that Fed funds rates would reach a pivot in 2023 and that the Fed would back down because of the risks to growth. The speeches delivered by central bankers at the end of August in Jackson Hole completely reversed the trend. They reasserted their unconditional commitment to combating inflation that was far too high at the risk of affecting growth. Rates therefore rose once again starting in August. Tensions also increased significantly between 23 and 28 September, as a result of the contagion effect of the pressure on British interest rates following the announcement of the “mini” budget.
After reaching a high for the past year of 4.2% for the US 10-year on 24 October, long-term rates eased again temporarily until mid-December. While the Fed raised its rates by 75 bp as expected on 2 November, it suggested a more moderate rate hike in December. The rate decline then intensified with the publication of an American inflation rate lower than expected by the markets. Thus, the American 10-year rate eased by 75 bp over the period and the German 10-year rate by nearly 50 bp.

As from mid-December, bond rates once again suffered from strong tensions until the end of 2022. During meetings – on 14 December for the Fed and 15 December for the ECB – the central bankers reiterated their strong determination to fight inflation and the prospects of still too high inflation. The tone of the ECB was "hawkish". While it slowed the pace of its rate hikes (+50 bp in December compared to 75 bp in October), it was very clear about the fact that this did not, in any way, constitute a "pivot". It will continue to raise its rates until the monetary policy has become sufficiently restrictive to fight high inflation. This resolutely hawkish tone was motivated by the clear easing of financial conditions since mid-October and the new measures taken by the governments to protect households and businesses from the increase in energy prices. These two factors run counter to the monetary tightening operated by the ECB. This resulted in strong pressures on rates, which were more marked in the eurozone than in the United States.

In the first two weeks of January, rates eased again as inflation slowed down due to the smaller contribution from energy prices. Investors thus anticipated a slowdown in the pace of key rate increases, which would be followed by an easing of monetary policies. These hopes were soon dashed as central bankers insisted that underlying inflation remained far too high and justified further rate hikes. Rates then rose again from mid-January to early March. The German 10-year rate reached its high for last year, closing at 2.75% on 2 March.

The bond markets experienced a final sharp turnaround on 10 March, following the announcement of the collapse of two US banks (SVB and Signature Bank) and the forced takeover of Credit Suisse. This created a real shockwave, with investors initially fearing a systemic crisis similar to that of 2008, following the collapse of Lehman Brothers. Strong risk aversion drove a flight to profitable quality in the bond markets and generated unprecedented volatility. The American and German 10-year rates thus lost more than 50 bp in the space of seven days. They then stabilised and recovered slightly as investors were reassured by the decisive measures taken by authorities.

In total, over all of last year, the American 10-year rate rose 110 bp, closing at 3.5% on 31 March 2023. The German 10-year rate rose by 175 bp, closing at 2.3% and the French 10-year rate by 180 bp, ending at 2.8%. Tensions were much stronger on short rates and particularly on 2-year rates, the latter reflecting monetary policy expectations. In the United States, the two-year rate increased by 170 bp over the year to close at 4%. The 2-10 year rate curve thus was negative, which has always been followed by recession in the US economy in the past. The rate curve was also inverted in Germany, as from the month of November.

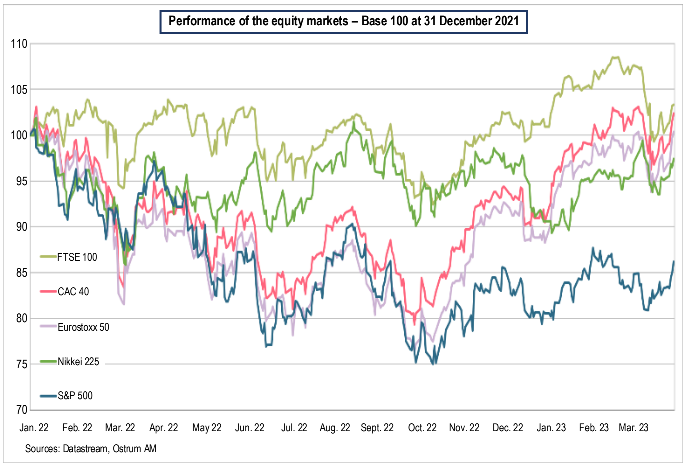
The spreads in the peripheral countries saw fluctuations over the year. Investors reacted first to the faster-than-expected normalisation of the ECB's monetary policy in order to cope with the surge in inflation, and to the prospect of the end of purchases via the APP, potentially as from 1 July. This lack of support for bond markets in the eurozone in a context of rising rates created strong tensions on the rates of countries with a higher public debt-to-GDP ratio, particularly Greece and Italy. Investors were also disappointed on 9 June by the absence of information from the ECB about the preparation of an "anti-fragmentation" tool intended to avoid unjustified tensions on the rates of certain countries that could hamper the correct transmission of monetary policy to the entire eurozone. Greece's spread thus peaked at 290 bp on 14 June, and Italy's at 240 bp, before tightening after the extraordinary meeting of the ECB that decided on an upcoming announcement of a new anti-fragmentation tool. The Transmission Protection Instrument (TPI) was presented on 21 July. It may be activated to "fight against unwarranted disorderly market dynamics that represent a serious threat for the transmission of monetary policy in the eurozone".

This announcement coincided with Mario Draghi's resignation from his post as Prime Minister, following the collapse of the national unity coalition. To limit tensions about the spreads of peripheral countries, in June and July the ECB used flexibility in reinvesting securities acquired under the PEPP reaching maturity. Italy and Spain were thus favoured (with €9.8 and €5.9 billion, respectively) to the detriment of Germany and the Netherlands (-€14.3 billion and -€3.4 billion, respectively). These two instruments thus contributed to limiting tensions over Italy's spread in September (moving between 240 and 250 bp) despite the victory of the right-wing coalition in the Italian early legislative elections on 25 September, then the nomination of Giorgia Meloni, the head of the extreme-right Brothers of Italy party, as Prime Minister. The spreads of the peripheral countries began to ease in October. Investors were reassured by the formation of the new Italian government, which has given guarantees to the European Union that it will benefit from Next Generation EU funds. Giorgia Meloni has appointed a close associate of Mario Draghi, Giancarlo Giorgetti, as Minister of the Economy and Finance, and the former President of the European Parliament, Antonio Tajani, as Minister of Foreign Affairs and Deputy Prime Minister.
Spreads subsequently held up fairly well, despite the ECB announcement at its December meeting that QT would begin in March 2023, strong issues from the government, primarily to finance support measures for households and businesses, and the banking stress in March 2023.

Italy's spread thus closed at 180 bp on 31 March 2023, a deviation of 30 bp over the year, after peaking at 250 bp on 7 October. Spain's spread deviated by 10 bp to close at 100 bp, and Portugal's spread remained relatively stable over the year (to close at 80 bp at end-March 2023). Greece stands out from the other countries with a tightening of the spread by 20 bp over the year, closing at 190 bp. This is due in particular to strong nominal growth, the continued reduction in deficits and public debt, and the measures taken by the government, both in terms of structural reforms and investment, to benefit from EU payments under Next Generation EU.

Stock markets posted fluctuations over the year, due to fears related to the war in Ukraine, high inflation, a sharp tightening of monetary policies to counter this and the risk of recession.

The year began with a sharp fall in the stock markets following the escalation of the conflict in Ukraine and the faster than expected increase in rates by the central banks. Fears of a recession also became more substantial due to the loss of purchasing power suffered by households caused by high inflation and the clear tightening of financial conditions.



In July, the equity markets once again experienced a brief upturn. Investors expected a slowdown in Fed rate hikes and a less restrictive policy in 2023.

The speeches by the central bankers at Jackson Hole completely reversed the trend. They reasserted their unconditional commitment to combating inflation that was far too high at the risk of affecting growth and creating a recession. As a result, equity markets fell sharply again from mid-August, with the Eurostoxx 50 index hitting its lowest point of the year on 29 September and the Standard & Poor's index on 12 October.

They then rose again following the publication of a lower-than-expected US inflation figure, leading investors to expect the Fed to moderate the pace of rate increases and set a lower terminal rate. They were also buoyed, from 7 December, by the announcement of a significant easing of health restrictions in China, heralding the end of the zero-Covid policy and a clear upturn in growth. The meetings of the Fed and the ECB on 14 and 15 December ended the euphoria. They raised their rates by 50 bp as expected, while remaining determined to continue their monetary tightening and maintain a restrictive policy until inflation is brought under control.

Then the markets began the year 2023 triumphantly thanks to the moderation of inflation on both sides of the Atlantic, figures showing steady growth maintained in the United States, surveys suggesting that the eurozone will escape recession and the upturn expected for Chinese growth. This momentum was brought to a screeching halt on 10 March with the announcement of the collapse of three US regional banks in the space of one week and the forced takeover of Credit Suisse by UBS. Between 9 March and 17 March 2023, the Eurostoxx 50 lost 5.2% and the S&P 1.9%. As fears of a systemic crisis were rapidly swept away by the broad measures taken by the Fed and the US Treasury, the markets rebounded over the last fifteen days of March.

In total, over the entire year, the S&P index fell by 9.3%, while the Eurostoxx 50 rose 10.6% and the CAC 40 by 9.9%. This divergence is due in particular to the fact that the S&P index includes more technology stocks. These stocks are being affected by the sharp rise in interest rates, which is reducing their expected future profits. In addition, the European markets were buoyed at the start of 2023 by better-than-expected growth, while the risks of recession became slightly more acute in the United States. The British Footsie 100 index gained 1.5% over the year and the Nikkei index was up 0.8%.

Management over the period:

During the second quarter of 2022, the German ten-year rate recorded two trends. The first was a sharp increase when the rate rose from 0.54% to 1.77% because of more aggressive central bankers in the face of persistent inflation. As from 23 June, the rate dropped significantly, closing at 1.33% at end-June. Indeed, economic figures such as the Euro PMI have shown a clear slowdown, even if the level remains above 50, suggesting a recession in the medium term. The drop in the rate had begun the day before the publication of the PMI when Jerome Powell told the US Senate Banking Committee that a recession was certainly a possibility.

The 2-10 year curve rose by 6 bp over the quarter, closing at 68 bp.

During the period, duration contributed more than 30 bp of performance. We managed the duration between neutrality and -1.30 modified duration points.

The allocation made a positive contribution to performance until mid-June, before wiping out this alpha and making a negative contribution towards the end of the quarter. We had underexposed Italian debt with the certainty that the slowdown in ECB purchases would widen spreads compared to Germany. The 10-year Italy-Germany spread differed by 40 bp before erasing this tension to close at 190 bp. We started with an under-exposure of 30 pps which we increased to 50 pps without knowing that Ms Lagarde was going to orchestrate an emergency meeting and communicate on an anti-fragmentation tool. This extraordinary session tightened peripheral spreads very sharply and penalised performance by more than 20 bp.

During the third quarter of 2022, we first saw a significant increase in the German 10-year yield, from 1.33% to 2.10%, supported by comments from central bankers that remained as aggressive as ever. This tension started at the beginning of August, with a downward movement in rates that began on 23 June and reached 0.77% at the beginning of August before reversing. Indeed, the market had anticipated a recession, only to have this erased after the publication of the PMI and CPI in August and comments by central bankers suggesting aggressive movements. Actions followed words in September with a rate increase of 75 bp by the Fed and the ECB.

The 2-10 year curve flattened by 50% to reach 35 bp. Over the period, duration management contributed 19 basis points to performance. We managed the duration between neutrality and -1.30 modified duration points.

The bund asset swap continued to deviate by 20 bp over the period, rising from 81 bp to 101 bp. There was clearly excess liquidity in the market. The ECB was not successful in calming this tension with concrete measures at its September meeting.

We reduced our exposure in late August before increasing it in September, believing that the valuation was attractive, and that the ECB was going to support this market distortion. The strategy made a negative contribution of 3 basis points to performance over the period.

Our diversification inflation suffered over the period. The German break-even point of five years lost 25 basis points. The credibility of the central bankers and the aversion to risk lowered anticipations of inflation. We expect, however, second-round effects with salary increases.
This strategy cost us 5 bp of performance over the period.

We still expect the spread between Italian and German debt to widen. The strategy made a positive contribution of 8 bp to performance.

Over the final quarter of 2022, the German rate rose 47 bp to close at 2.57%. The amplitude of the German rate was enormous; 79 bp with two trends – one before and one after the ECB meeting in December.

The 2-year German rate increased by 101 basis points to close at 2.76%. The curve reversed itself, stabilising at 20 basis points in December.

In fact, in late November we were not convinced that the market was already anticipating a recession as at the end of June 2022. The ECB meeting was a trigger for the rate hike, and the gamble paid off. The November under performance was recovered in December after the sharp increase in rates.

We anticipated a German 10-year rate that would stabilise around 2.50%. It closed 2022 at 2.57%. The ECB increased its rate by 50 basis points on 15 December, raising it to 2%.
This strategy made a positive contribution of 7 bp to performance over the period.

The bund asset swap normalised and fell 39 bp over the period from 101 bp to 62 bp.
The strategy made a negative contribution of 4 basis points to performance. The French agencies did not take advantage of this tightening as the German and supranational agencies did.

Over the quarter, the 3-10 year inflation break-even point rose by 30 bp, driven by the convergence of the 3-year break-even rate towards 2%, which can be explained by the fall in energy prices, a restrictive monetary policy and the high point of inflation. The 10-year inflation break-even point rose 19 bp to 227 bp.

Moreover, the inflation carry contributed to performance over the period.

This strategy made a positive contribution of 16 bp to performance over the period.

Italy tightened and penalised performance over the period by 46 bp. Explanations for this tightening remain slight. It can be explained by a BTP Italia issue that went well, Meloni's positive stance on the European Union and short buybacks that accelerated the tightening of spreads.

The maximum key rate was expected to be 4.07% on 8 March, versus 3.40% expected at the beginning of February. The German 2-year rate hit 3.33% on 8 March and the German 10-year rate reached 2.65%.

In this context, we increased our underexposure at the beginning of March from 91.60% (-57 pps) to 84.50% (-1.06 modified duration points), then slightly to above 80% (-1.35 modified duration points). We revised our target on the German 10-year rate upwards from 2.5% at the start of the quarter to 3%.

Central bankers made aggressive comments, such as Robert Holzmann on 6 March, who said he expected four 50 basis point hikes this year. Those comments supported our positioning.

Our positioning was undermined by the collapse of Silicon Valley Bank. Although the American regulator reacted very quickly to significantly reduce the systemic risk, the market was not convinced. The German two-year rate closed at 2.55% on Monday 13 March and the ten-year rate at 2.22%.

Volatility hit record levels, split between the battle against inflation and the fears of systemic risk. The UBS purchase of Crédit Suisse the weekend of 19 March drove the two-year rate down to its lowest level of the year at 2.09% before it recovered at the end of the day to 2.36%. The German ten-year rate fell to 1.92% before rising to 2.12%.

With the aversion to risk and a market that expects a rate increase of only 25 basis points by the end of the year, we reduced our under-exposure by half.

The directional strategy cost us 65 bp of performance.

The sovereign spreads remained contained during the risk aversion. We had under-weighted Italy, Spain and Portugal and invested in the Greek debt. There was no impact on performance.

The bund asset swap widened by 20 bp to 80 bp during the week of 13 March. In the spread, we increased our diversification towards agencies and supranationals to reach 78 pps at the end of the quarter.

The strategy made a positive contribution of 3 bp to performance over the quarter.

We have an inflation diversification of 16 pps. The aversion to risk wiped out the anticipations of inflation before rising to 2.51 on 31 March. The amplitude of the inflation break-even point for the quarter was 111 basis points with a peak at 2.93 on 3 March.

This strategy cost us 4 bp of performance over the period.

Summary of positioning:

In summary, the fund ended the period with a gross underperformance of nearly 30 bp, which can be explained by our directional positioning in March before the bank failures of several US regional banks. The persistence of inflation has led us to maintain a strategy of flattening the curve and inflation diversification. Recent pressure on the bund asset swap has led us to strengthen our diversification into agencies and supranationals. Our portfolio holds 20% green bonds.

- **Information on Taxonomy Regulation (EU) 2020/852**

Information on the Taxonomy of this SICAV can be found in the pre-contractual information on environmental or social characteristics attached to the prospectus and this report.

b) Information on the UCI

- **Main changes to the portfolio during the financial year**

Securities	Changes ("Accounting currency")	
	Purchases	Sales
DBR 0 08/15/30	31,366,710.00	26,884,235.00
GERMANY 0.1% 15/04/26 IND	26,349,821.88	22,125,570.97
BUNDESREPUBLIK DEUTSCHLAND 1.7% 15/08/32	22,650,825.00	22,155,900.00
BUNDSOBLIGATION 1.3% 15/10/27	29,301,664.00	15,201,608.00
GERMANY 0.5% 15/04/30 IND	15,881,353.44	25,925,361.31
BUNDSOBLIGATION 0.0% 10/10/25	0.00	34,566,342.00
ITALY BUONI POLIENNALI DEL TESORO 2.65% 01/12/27	20,795,990.00	9,939,356.00
BUNDESREPUBLIK DEUTSCHLAND 0.0% 15/02/32	13,411,986.00	13,784,840.00
ITALY BUONI POLIENNALI DEL TESORO 0.0% 15/12/24	12,568,050.00	12,375,012.00
EUROPEAN UNION 0.0% 06/07/26	11,851,578.00	11,588,514.00

Substantial changes occurring during the financial year and in the future

At its meeting on 24 May 2023, the Board of Directors of the SICAV approved the following points:

- **Information on the placement of the SFDR appendix in the SICAV prospectus and annual report**

On 24 May 2023, the Board was reminded that, pursuant to Regulation (EU) 2019/2088 known as the "SFDR Regulation" and Regulation (EU) 2020/852 known as the "Taxonomy Regulation", and following the adoption of the Regulatory Technical Standards ("RTS") on 6 April 2022, the financial products described in Article 8 of the SFDR Regulation must, as from 1 January 2023, insert an appendix to their prospectus.

This appendix concerns the pre-contractual information on the environmental and/or social characteristics to be promoted, as well as information on the sustainability indicators used and the consideration of the principal adverse impacts (PAI).

The appendix also contains new indicators, including:
- the minimum sustainable investment of the UCI with an environmental or social objective;
- the description of DNSH (Do No Significant Harm), of the UCI's sustainable investment (i.e. do no significant harm to an environmental or social sustainable investment objective);
- and the minimum alignment of the UCI with the European green taxonomy.

For information, the SICAV is classified Article 8 and is therefore subject to these European Regulations.

The prospectus and this report have therefore been completed by an SFDR appendix.

- **Implementation of gates**

The addition of gates in the SICAV was proposed to the Board. This liquidity management tool is exclusively aimed at protecting the interests of all holders of the SICAV. This mechanism can only be implemented in the event of exceptional circumstances on the financial markets, i.e. "unusual" conditions that severely impair liquidity and an "abnormally high" level of redemptions. When these two conditions are met, the management company has the option, in accordance with regulations, to temporarily and partially stagger redemption requests in order to avoid having to execute forced sales at poor price conditions.

This modification is not subject to the prior consent of the French Autorité des Marchés Financiers (AMF).

The Prospectus will be modified accordingly.

This change results in the amendment of Article 8 of the SICAV's articles of association, and will be submitted for the approval of the holders at an extraordinary general meeting on 17 July 2023.

- **Removal of transfer fees**

The Board was reminded that, as part of the changes to the AMF's general regulation and its doctrine on transfer fees, those fees will be eliminated.

As from 1 January 2026, transfer fees may no longer be charged. In anticipation of the change, the management company made the choice to eliminate them now.

The Prospectus will be modified accordingly.

- **Change in the presentation of fees in the prospectus**

The Board was reminded that the AMF is modernising the conditions applicable to the presentation, content and deduction of administrative fees external to the management company of the UCITS.

The AMF proposes two possibilities in the presentation of the fees listed in the prospectus.

The first presentation available until now in the SICAV was a flat-rate block of the maximum rate covering the financial management fees and the administrative fees external to the management company. The second presentation possible is to divide such fees into two blocks, one presenting the maximum rate of the financial fees and the other the administrative fees external to the management company.

The management company has elected to modify the presentation of fees in a concern for transparency.

Henceforth, the fees will be presented in two distinct blocks for your SICAV. However, the overall rate of the fees remains the same.

This change is not the object of an increase in fees.

The Prospectus will be modified accordingly.

- **Index-linked UCIs**

This UCI is not classified as an index-linked UCI.

- **Alternative funds of funds**

This UCI is not classified as an alternative fund of funds.

- **Efficient portfolio management techniques and derivatives (ESMA)**

a) Exposure obtained through efficient portfolio management techniques and derivative financial instruments

• Exposure obtained through efficient management techniques: 50,710,742.92

o Securities lending: 9,751,096.34
o Securities borrowing: 0.00
o Reverse repurchase agreements: 0.00
o Repurchase agreements: 40,959,646.58

• Underlying exposure achieved through derivatives: 106,095,745.00

o Forward foreign exchange: 0.00
o Futures: 106,095,745.00
o Options: 0.00
o Swaps: 0.00

b) Identity of the counterparty/counterparties to efficient portfolio management techniques and derivative financial instruments

Efficient management techniques	Derivatives (*)
CACEIS BANK (FRANCE) NATIXIS ASSET MANAGEMENT FINANCE	

(*) Except listed derivatives.

c) Collateral received by the UCITS to reduce counterparty risk

Types of instruments	Amount in portfolio currency
Efficient management techniques	
. Forward deposits	0.00
. Equities	8,867,640.66
. Bonds	1,477,837.16
. UCITS	0.00
. Cash (*)	41,141,787.71
Total	**51,487,265.53**
Derivatives	
. Forward deposits	0.00
. Equities	0.00
. Bonds	0.00
. UCITS	0.00
. Cash	0.00
Total	**0.00**

(*) The Cash account also includes cash and cash equivalents resulting from repurchase transactions.

d) Operating income and expenses related to efficient management techniques

Operating income and expenses	Amount in portfolio currency
. Income (*)	74,447.52
. Other income	0.00
Total income	**74,447.52**
. Direct operating expenses	247,354.26
. Indirect operating expenses	0.00
. Other expenses	0.00
Total expenses	**247,354.26**

(*) Net remuneration received by Natixis TradEx Solutions, which may not exceed 40% of the income generated by these transactions. Other income and other expenses relate to the remuneration from the investment in deposit accounts of financial collateral received in cash, which varies according to market conditions, and to any other income on financial accounts and expenses on financial debts not linked to efficient management techniques.

SFTR regulation

	Securities lending	Securities borrowing	Repurchase agreements	Reverse repurchase agreements	TRS
a) Securities and commodities lending					
Amount	9,751,096.34				
% of Net Assets*	2.92%				
b) Assets committed for each type of securities financing transaction and TRS, expressed in terms of absolute value					
Amount	9,751,096.34	0.00	40,620,090.70	0.00	0.00
% of Net Assets	2.84%	0.00	11.81%	0.00	0.00
c) Top 10 issuers of collateral received (excluding cash) for all types of financing transactions					
PUBLICIS GROUPE SA FRANCE	1,595,023.38			0.00	0.00
GROUPE EUROTUNNEL SA FRANCE	1,149,731.10			0.00	0.00
EUROPEAN STABILITY MECHANISM LUXEMBOURG	918,910.62			0.00	0.00
SOLVAY SA BELGIUM	864,502.10			0.00	0.00
STELLANTIS NV NETHERLANDS	744,685.06			0.00	0.00
DAIMLER TRUCK HOLDING AG GERMANY	726,885.15			0.00	0.00
DEUTSCHE POST AG GERMANY	640,662.12			0.00	0.00
KONINKLIJKE AHOLD DELHAIZE NV NETHERLANDS	606,623.36			0.00	0.00
AIR LIQUIDE SA FRANCE	504,388.20			0.00	0.00
FRANCE GOVERNMENT BOND OAT FRANCE	471,469.00			0.00	0.00
d) Top 10 counterparties in terms of absolute value of assets and liabilities without offsetting					
NATIXIS TRADEX SOLUTIONS FRANCE	9,751,096.34	0.00	34,557,705.24	0.00	0.00
CACEIS BANK (FRANCE) FRANCE	0.00	0.00	6,062,385.46	0.00	0.00

*** % excluding cash and cash equivalents**

e) Type and quality of collateral

	Securities lending	Securities borrowing	Repurchase agreements	Reverse repurchase agreements	TRS
Type					
- Equities	8,867,640.66			0.00	0.00
- Bonds	1,477,837.16			0.00	0.00
- UCIs	0.00			0.00	0.00
- Negotiable debt securities	0.00			0.00	0.00
- Cash	84,190.61		41,057,597.10		0.00
Rating	0.00	0.00	0.00	0.00	0.00
Collateral currency					
Danish krone	225,132.72		0.00	0.00	0.00
Euro	10,193,128.96		41,057,597.10	0.00	0.00
US dollar	11,406.75		0.00	0.00	0.00

Collateral received must comply with the Natixis Investment Managers International policy, which was established to guarantee a high level of quality and liquidity as well as the absence of direct correlation with the counterparty to the transaction. Additionally, the Natixis Investment Managers International collateralisation policy sets out levels of over-collateralisation for each type of security, intended to offset any variation in their value. Lastly, a daily margin call system is in place to offset the mark-to-market variations of securities.

f) Settlement and clearing of contracts

Tripartite				X	
Central counterparty					
Bilateral	X			X	

g) Collateral maturity broken down by tranche

Less than 1 day	0.00			0.00	0.00
1 day–1 week	0.00			0.00	0.00
1 week–1 month	0.00			0.00	0.00
1–3 months	0.00			0.00	0.00
3 months–1 year	0.00			0.00	0.00
More than 1 year	960,269.39			0.00	0.00
Open	9,385,208.43			0.00	0.00

h) Maturity of securities financing transactions and TRS, broken down by tranche

Less than 1 day	0.00	0.00	0.00	0.00	0.00
1 day–1 week	0.00	0.00	0.00	0.00	0.00
1 week–1 month	0.00	0.00	0.00	0.00	0.00
1–3 months	0.00	0.00	0.00	0.00	0.00
3 months–1 year	0.00	0.00	0.00	0.00	0.00
More than 1 year	0.00	0.00	0.00	0.00	0.00
Open	9,751,096.34	0.00	40,620,090.70	0.00	0.00

	Securities lending	Securities borrowing	Repurchase agreements	Reverse repurchase agreements	TRS

i) Data on the reuse of collateral

	Securities lending	Securities borrowing	Repurchase agreements	Reverse repurchase agreements	TRS
Maximum amount (%)	0.00	0.00	0.00	0.00	0.00
Amount used (%)	0.00	0.00	0.00	0.00	0.00
Income for the UCI following reinvestment of cash collateral in euros	0.00	0.00	0.00	0.00	0.00

UCITS funds must reinvest all of their cash collateral (i.e. maximum amount = maximum amount used = 100%) but cannot reuse their securities collateral (i.e. maximum amount = amount used = 0%).

Furthermore, in accordance with the conditions set out in the regulations, in the event that collateral is received in cash, it may only be:
- deposited;
- invested in high-quality government bonds;
- used in reverse repurchase agreements;
- invested in short-term money-market undertakings for collective investment (UCI).

For transactions made by Natixis TradEx Solutions, acting as an “agent” or “principal”, the amounts received in respect of cash collateral on temporary sales of securities are invested in an interest-bearing deposit account.

j) Data on the custody of collateral received by the UCI

	Securities lending	Securities borrowing	Repurchase agreements	Reverse repurchase agreements	TRS
CACEIS BANK FRANCE					
Securities	10,345,477.82			0.00	0.00
Cash	84,190.61				0.00

k) Data on the custody of collateral provided by the UCI

	Securities lending	Securities borrowing	Repurchase agreements	Reverse repurchase agreements	TRS
Securities	0.00	0.00	0.00	0.00	0.00
Cash	0.00	0.00	0.00	0.00	0.00

All collateral provided by the UCI is transferred under full ownership.

l) Breakdown of data on income and costs

	Securities lending	Securities borrowing	Repurchase agreements	Reverse repurchase agreements	TRS
Income					
- UCIs	17,270.58	0.00	57,176.94	0.00	
- Manager	0.00	0.00	0.00	0.00	
- Third parties	0.00	0.00	0.00	0.00	
Costs					
- UCIs	1,368.69	0.00	248,722.95	0.00	
- Manager	0.00	0.00	0.00	0.00	
- Third parties	0.00	0.00	0.00	0.00	

The Management Company has entrusted Natixis TradEx Solutions with performing securities lending and repurchase agreement transactions for the UCITS.

Income from these transactions is returned to the UCITS. These transactions give rise to costs that are borne by the UCITS. Natixis TradEx Solutions’ invoicing cannot exceed 40% of the revenue generated by these transactions and is deducted from the income recognised by the UCITS.

The amounts shown do not include remuneration from the investment of cash collateral in deposit accounts.

- **Access to documentation**

The legal documentation for the SICAV (KIID, prospectus, periodic reports etc.) is available from the delegated Management Company at its registered office, or from the following email address: **ClientServicingAM@natixis.com**

c) Information on risks

- **Overall risk calculation method**

The calculation method used by the Management Company to measure the overall risk for this UCI is the "commitment" method.

- **Leverage effect**

This UCI does not use leverage.

- **Exposure to securitisation**

This UCI has no exposure to securitisation.

- **Risk management**

As part of its risk management policy, the Portfolio Management Company prepares, implements and keeps operational a risk management policy and procedures that are effective, appropriate and documented, so as to identify the risks linked to its activities, processes and systems.

For more information, please consult the KIID for this UCI and specifically the "Risk and reward profile" section or its prospectus, available on request from the Management Company.

- **Cash management**

The Portfolio Management Company has established a liquidity management policy for its open-ended UCIs, based on measures and indicators of illiquidity and the impact on portfolios in the event of forced sales following large-scale redemptions by investors. Measurements are taken at a frequency appropriate to the type of management, according to various simulated redemption scenarios, and are compared to predefined alert thresholds. Collateral liquidity is monitored weekly using identical parameters.

Those UCIs identified as being in a sensitive situation, having recorded low liquidity levels or a high impact following a forced sale, are subject to additional analyses of their liabilities. The frequency of these tests changes depending on the management techniques used and/or the markets in which the UCIs invest. At the very least, the results of these analyses are presented during a governance committee meeting.

The Management Company therefore relies on a monitoring and supervisory system that ensures the fair treatment of investors.
Any changes to this policy during the year that have an effect on the UCI's documentation will be indicated in this document's "Substantial changes" section.

- **Treatment of illiquid assets**

This is not relevant to this UCI.

d) Environmental, social and governance (ESG) criteria

The way in which ESG criteria are taken into account in the investment process is described in detail in the pre-contractual document appended to the Fund's prospectus.

e) Information relating to French Decree No. 2021-663 of 27 May 2021 issued pursuant to Article L. 533-22-1 of the French Monetary and Financial Code (Article 29 of the French Energy and Climate Law)

This UCI is not concerned by the regulation relating to French Decree No. 2021-663 of 27 May 2021 issued pursuant to Article L. 533-22-1 of the French Monetary and Financial Code (Article 29 of the French Energy and Climate Law)

III – GOVERNANCE AND COMPLIANCE COMMITMENTS

- **Procedure for selecting and assessing intermediaries and counterparties – Order execution**

For the Management Company to meet its best execution obligation, the selection and monitoring of fixed income intermediaries, stockbrokers and counterparties are governed by a specific process.

The Management Company's policy regarding the selection of intermediaries/counterparties and order execution can be found on its website at https://www.im.natixis.com/intl/resources/policy-best-execution-best-selection

- **Voting policy**

Details of the conditions under which the Management Company intends to exercise the voting rights associated with securities held in the portfolio by the UCI it manages, as well as the latest annual report, are available from the company's registered office, or online at: https://www.im.natixis.com/intl/resources/voting-and-engagement-policy

- **Remuneration policy**

NATIXIS INVESTMENT MANAGERS INTERNATIONAL (NIMI) remuneration policy

This NIMI remuneration policy consists of general principles applicable to all employees (see point I), specific principles applicable to employees identified by AIFM and UCITS V (see point II) and a governance mechanism applicable to all employees (see point III).

It falls under the remuneration policy defined by Natixis and is established in compliance with the provisions relating to remuneration stipulated in the following regulatory texts, as well as the guidelines of the European Securities and Markets Authority (ESMA) and the positions of the French Financial Markets Authority (Autorité des Marchés Financiers – AMF) resulting therefrom:

- Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers, transposed into the French Monetary and Financial Code by Order No. 2013-676 of 27 July 2013 (AIFM Directive);
- Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 on undertakings for collective investment in transferable securities (UCITS), transposed into the French Monetary and Financial Code by Order No. 2016-312 of 17 March 2016 (UCITS V Directive);
- Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, transposed into the Monetary and Financial Code by Order No. 2016-827 of 23 June 2016, supplemented by the Delegated Regulation 2017/565/EU of 25 April 2016 (MiFID II Directive);
- Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

I- GENERAL PRINCIPLES OF THE REMUNERATION POLICY

The remuneration policy is a strategic element of the NIMI policy. As a tool to enhance employee motivation and commitment, it aims to be competitive and attractive in relation to the rest of the industry while fully complying with key financial indicators and regulations.

NIMI's remuneration policy, which applies to all employees, counts the alignment of employees' interests with those of investors among its fundamental principles:

- It is consistent and promotes sound and efficient risk management and does not encourage risk-taking that would be incompatible with the risk profiles, regulations or documents constituting the products managed.
- It is in line with the economic strategy, objectives, values and interests of the Management Company and the products it manages, as well as those of investors, and includes measures aimed at preventing conflicts of interest.

The remuneration policy covers all components of remuneration, which include fixed remuneration and, where applicable, variable remuneration.

Fixed remuneration rewards skills, professional experience and level of responsibility. It takes into account market conditions.

Variable remuneration depends on the assessment of collective performance – measured at the level of the Management Company and the products managed – and individual performance. It considers quantitative and qualitative elements, which may be established on an annual or multi-year basis.

I-1. Definition of performance

The objective and transparent assessment of annual and multi-year performance based on predefined objectives is a prerequisite for applying the NIMI remuneration policy. It ensures the fair and selective treatment of employees. This assessment is shared between the employee and their manager during an individual appraisal interview.

The contribution and performance level of each employee are evaluated with regard to their duties, assignments and level of responsibility in the Management Company. In this context, the remuneration policy distinguishes several categories of staff:

- The Management Committee is assessed on its contribution to the definition and implementation of the Management Company's strategy, this strategy being part of that of the international distribution platform and that of Dynamic Solutions. The Management Committee is also assessed on its ability to expand the performance of product and service offerings, on the performance of the distribution activity and, more generally, on the development of the group's multi-boutique model, as well as on the risk-adjusted financial performance within its scope of supervision. For this category, performance is assessed annually through quantitative indicators linked to changes in NIMI's financial results and supervised activities, as well as a contribution to the overall performance of Natixis IM. Performance is also assessed through the achievement of qualitative objectives, such as the quality of management and/or responsibility for/contribution to cross-functional projects.

- Support functions are assessed on their ability to proactively support the strategic challenges of the Management Company. Individual performance is assessed annually through the achievement of qualitative objectives, such as the quality of recurring business activity and/or the degree of participation in cross-functional projects or strategic/regulatory projects. These objectives are defined annually in accordance with those of NIMI, those of the international distribution platform and, where applicable, those of Dynamic Solutions.

- Assessment of the performance of control functions is based solely on the evaluation of qualitative criteria, such as participation in cross-functional projects or in strategic/regulatory plans, defined annually, to avoid compromising their independence or creating conflicts of interest with the activities they control.

- The performance of management functions is assessed according to a quantitative criterion linked to the generation of value through allocation, supplemented by qualitative criteria.
  The quantitative criterion reflects the challenges of achieving the management performance sought by investors without, however, authorising excessive risk-taking, which may have an impact on the risk profile of NIMI and/or the products managed.

These quantitative criteria are calculated over a predefined period in line with the risk-adjusted performance horizon of the funds managed and of the Management Company.
Specific criteria incorporating risks related to sustainability, i.e. environmental, social and governance issues, must be defined for all management team employees.

- Assessment of the performance of real asset private debt management functions is based on two criteria (one quantitative, one qualitative), which, if successfully met, means that the interests of the Management Company and investor clients are both being served by the funds and strategies managed by the team.

  The quantitative criterion measures the amount of funds raised from investors and reflects each manager's involvement in the development of the assets under management, which generate income for the business activity. The qualitative criterion is designed to ensure that investments made on behalf of clients have been made with strict application of the investment criteria defined with those clients. It also aims to ensure that the manager has performed an exhaustive advance analysis of the risk factors expected during the investment and throughout the entire holding period. In the event that any risk factor occurs, the relevance of the corrective measures that will be carried out diligently, and in the sole interest of the investor, will be taken into account. In other words, this criterion does not penalise the manager for the occurrence of a credit event (credit risk is in fact inherent in this business activity). It aims to guarantee clients that an exhaustive analysis of the risks and their mitigation factors has been carried out *ab initio*, followed by a control process conducted for the duration of the holding period. This enables a well-considered and effective response in case of a credit event in order to neutralise or limit the impact for investors.

- Assessment of the performance of the distribution functions is based on the evaluation of quantitative and qualitative criteria. The quantitative criteria are based on gross inflows, net inflows, revenue, the profitability of the assets under management and how these change. The qualitative criteria include the diversification and development of the business (new clients, new affiliates, new expertise etc.) and the joint consideration of the interests of NIMI and those of clients.

For all categories of staff, the performance assessment incorporates qualitative criteria.
These qualitative criteria always include compliance with regulations and NIMI's internal procedures in terms of risk management and compliance.
They may also include the quality of the relationship with clients, including the level of expertise and advice provided, improving the reliability of a process, participating in a cross-disciplinary project, participating in the development of new expertise, contributing to the development of operational efficiencies or any other aspects defined by the strategic objectives set out by NIMI.
For each category of staff, all quantitative and qualitative objectives are defined and communicated individually at the start of the year, in line with NIMI's strategic objectives.

I-2. Remuneration components

I-2.1. Fixed remuneration

NIMI strives to maintain a level of fixed remuneration that sufficiently remunerates employees for their professional activity.

Fixed remuneration rewards the skills, professional experience and level of responsibility expected of an employee when performing their duties.

The positioning of fixed remuneration is reviewed periodically to ensure that it is consistent with regard to geographical and professional market practices.

Fixed salaries are reviewed once a year as part of the annual remuneration review. Outside that period, only promotions, internal job moves or exceptional individual circumstances may lead to a review.

I-2.2. Variable remuneration

The variable remuneration packages are defined based on the annual results of NIMI, the international distribution platform and Dynamic Solutions, and also by reference to qualitative elements, such as the practices of competitor companies, the general market conditions applicable at the time the results were obtained and any factors that may have temporarily influenced the business line's performance.

Variable remuneration, where awarded, is paid to reward an individual annual performance achieved as part of a collective performance.

NIMI's collective variable remuneration consists of a profit-sharing and incentive scheme, together with a company savings plan (*plan d'épargne d'entreprise* – PEE) and a company collective retirement savings plan (*plan d'épargne pour la retraite collectif* – PERCO). Employees can benefit from a matching scheme under these plans.

This collective variable remuneration has no incentive impact on the risk management of NIMI and/or the managed products and does not fall within the scope of the AIFM or UCITS V directives.
In compliance with the total variable remuneration packages, individual variable remuneration is allocated as part of the annual remuneration review in an objective and discretionary manner, on the basis of the assessment of individual performance and the way in which this performance is achieved. Variable remuneration awarded to employees is affected by inappropriate risk and compliance management or non-compliance with regulations and internal procedures over the year considered (see I-1. above).

Identified employees are subject to specific obligations for adherence to the rules on risks and compliance. A breach of these obligations may result in a partial reduction or total cancellation of the individual variable remuneration awarded.

In the event of a loss or a significant fall in its profits, NIMI may also decide to reduce or entirely cancel the amount allocated to individual variable remuneration, together with any deferred instalments of variable remuneration previously awarded and in the process of vesting.

Similarly, in the event that a major sustainability-related risk materialises, i.e. an environmental, social or governance event or situation occurs that could have a material and lasting adverse impact on the value of the funds/products under management, the package allocated to individual variable remuneration may be reduced or even cancelled, as may any deferred instalments of variable remuneration previously awarded and not yet fully vested.

There are no contractual guarantees for variable remuneration, with the occasional exception of variable remuneration awarded for the first year of work in connection with external recruitment.

"Golden parachute" agreements are forbidden. Payments related to the early termination of an employment contract are defined in accordance with legal provisions (legal and contractual indemnities) and the performance of the beneficiary, the area of the business to which they belong and the performance of the entire Management Company over the period. They are designed to avoid rewarding failure.

Variable remuneration is not paid through instruments or methods that facilitate circumvention of the requirements established in the regulations.

I-2.3. Key employee retention scheme

NIMI wants to ensure that its investors have confidence in the stability of its teams.

In order to achieve this, a deferred remuneration system has been incorporated into its remuneration policies.

Beyond a certain variable threshold, this scheme leads to the allocation of a portion of the variable remuneration in the form of a cash payment indexed to the change in the consolidated financial performance of Natixis IM measured by its earnings before tax (EBT), recorded each year over a minimum period of three years. The portion of variable remuneration thus deferred is vested in equal tranches over a period of at least three years and gives employees a stake in the performance of Natixis IM. The deferred variable remuneration rate is calculated by applying a deferred remuneration table.

This scheme is subject to conditions of employment and the absence of conduct inconsistent with the company's standards that may have an impact on NIMI's level of risk. Vesting of these tranches may be subject to a repayment commitment, either in full or in part, in order to ensure ex-post risk adjustment.

I-2.4. Balance between fixed and variable remuneration

NIMI ensures that there is an appropriate balance between the fixed and variable components of overall remuneration and that the fixed component represents a sufficiently high proportion of overall remuneration so that a fully flexible policy can be exercised with regard to variable components of remuneration, including the option of paying no variable component. All individual situations for which variable remuneration represents more than 100% of fixed remuneration and which can be explained by market practice and/or an exceptional level of responsibility, performance and behaviour, are documented by the Human Resources Department as part of the annual remuneration review.

II- IMPLEMENTATION OF THE SCHEME APPLICABLE TO EMPLOYEES IDENTIFIED UNDER AIFM AND/OR UCITS V

II-1. Identified employees

In accordance with regulatory provisions, NIMI's identified employees include the categories of employee, including executive managers, risk-takers and those exercising a control function, as well as any employee who, based on their total remuneration, is in the same remuneration bracket as executive managers and risk-takers, whose employment activities have a material impact on the risk profile of the Management Company and/or the products managed by the Management Company. These persons are identified based on their employment activities, their level of responsibility or their overall level of remuneration.

To maintain consistency and alignment, NIMI has decided to implement the system applicable to identified employees across the full scope of products managed (mandates, UCITS and AIFs).

The following employee categories are identified:
- Members of the management body
- Members of staff responsible for portfolio management
- Managers of control functions (risk, compliance and internal control)
- Managers of support or administrative activities
- Other risk-takers
- Employees who, given their overall remuneration, are in the same remuneration bracket as general management and risk-takers.

Each year, prior to the annual remuneration review, the Human Resources Department draws up and formally records the identification methodology and scope of NIMI's identified population in conjunction with the Director of Permanent Controls.

The scope of the entire identified employee population is then validated by NIMI's General Management and sent for approval to the Board of Directors in its supervisory function, before being provided to the Natixis Remuneration Committee.

The entire identification process is documented and archived by the Human Resources Department. The employees concerned are also informed of their status.

II-2. Scheme applicable to variable remuneration allocated to identified employees

In accordance with regulations and in order to ensure alignment between employees, investors and the management company, as soon as the variable remuneration of identified employees exceeds a certain threshold, it is partly deferred and partly awarded in the form of a financial instrument vesting pro rata temporis over a period of at least three years.

The proportion of the variable remuneration that is deferred over three years increases with the amount of variable remuneration awarded and can reach 60% for the highest remuneration at NIMI. Currently, the application methods for the deferred payment are as follows:

- Up to €199,000 in variable remuneration: no deferral
- Between €200,000 and €499,000: 50% of the amount deferred from the first euro
- From €500,000: 60% of the amount deferred from the first euro

The thresholds for triggering deferred variable remuneration are subject to change depending on regulations or changes to internal policies. In this case, the new thresholds are subject to approval by NIMI's Management Committee and the Natixis Remuneration Committee.

A minimum of 50% of the variable remuneration is also awarded in financial instruments in the form of indexed cash payments:

- For teams directly involved in portfolio management, with the exception of those managing real asset private debt, on the basis of the performance of a selection of products managed by NIMI.
- For teams that are not directly involved in portfolio management and teams managing real asset private debt, on the basis of changes in Natixis IM's consolidated financial performance measured by its earnings before tax (EBT), recorded each year over a minimum period of three years.

The vesting of the deferred portion of variable remuneration is subject to conditions relating to continued employment and to Natixis IM's consolidated financial performance as well as the absence of conduct inconsistent with the company's standards that could have an impact on the level of risk for NIMI and/or the products managed.

This vesting is also subject to obligations in terms of adherence to the rules on risks and compliance. Failure to comply with these obligations may result in a partial or total reduction of the vested portion. It may also be subject to a full or partial repayment commitment in order to ensure ex-post risk adjustment.

Employees in receipt of deferred variable remuneration are prohibited from using personal hedging or insurance strategies over the entire vesting period.

The terms and conditions for determining, valuing, awarding, vesting and paying deferred variable remuneration as an equivalent financial instrument are detailed in the NIMI and Natixis IM Long-Term Incentive Plan (LTIP).

III- GOVERNANCE

The general and specific principles of the remuneration policy are drawn up and formally documented by NIMI's Human Resources Department in line with the policy applicable to the global distribution platform.

NIMI's Permanent Controls Department and Risk Department have an active role in the development, ongoing monitoring and assessment of the remuneration policy. They are thus involved in determining the overall strategy applicable to the Management Company to promote the development of effective risk management. As such, they are involved in determining the scope of identified employees. They are also responsible for assessing the impact of the variable remuneration structure on the risk profile of managers.

NIMI's remuneration policy is approved by the NIMI Board of Directors in its supervisory function.

The general and specific principles, the application methods and quantified data of the remuneration policy, including identified employees and the highest remuneration levels, are approved in turn and in detail by the members of NIMI's Management Committee, then by an Intermediary Committee established at Federation level that encompasses all of the distribution, support and control functions of the Natixis IM Group, and which includes NIMI, in particular. This Intermediary Committee brings together the General Management teams of NIMI and Natixis IM. It then submits the above information in summary form for the approval of Natixis General Management, which then transmits it to the Natixis Remuneration Committee.

NIMI does not have its own remuneration committee but, as a member of the Natixis Group, reports to the Natixis Remuneration Committee.

The Natixis Remuneration Committee was established and acts in accordance with regulations (1):

- Both in its composition: the independence and expertise of its members, the majority of whom, like its Chairman, do not perform executive functions within NIMI, are external to the Natixis Group and are therefore completely independent;
- And in the exercise of its duties, which in management companies more specifically includes the following roles:

  - Advice and assistance to the Board of Directors for the development and implementation of the Management Company's remuneration policy;
  - Assistance to the Board of Directors in overseeing the development and operation of the Management Company's remuneration system;
  - Particular attention is paid to the assessment of the mechanisms adopted to ensure that the remuneration system considers all the categories of risk, liquidity and level of assets under management in an appropriate manner and to ensure compatibility of the remuneration policy with the economic strategy, objectives, values and interests of the Management Company and the products managed, as well as with those of investors.

In this context, the general and specific principles, the compliance of NIMI's remuneration policy with the applicable regulations, and the application methods and summary calculated data of its remuneration policy, including details of identified employees and the highest remuneration levels, are submitted to the Natixis Remuneration Committee for a final review, before being approved by its Board of Directors in its supervisory role.

The remuneration of NIMI's Chief Executive Officer is set by the General Management teams of Natixis IM and Natixis, then presented to the Natixis Remuneration Committee.

The remuneration packages of NIMI's Risk and Compliance Directors are reviewed by Natixis IM's Risk and Compliance Directors as part of the independent reviews carried out by the risk and compliance functions. They are then submitted to the Natixis Remuneration Committee.

In short, all roles assigned to remuneration committees and set out in the regulatory texts are, in practice, performed by the Intermediary Committee established at Federation level, which incorporates NIMI, and/or by the Natixis Remuneration Committee.

The general and specific principles of the remuneration policy are communicated internally to all employees and members of the Works Council. NIMI also complies with all its obligations in terms of external advertising.

This entire review, validation and communication process takes place every year. It includes any regulatory and contextual changes and is conducted in line with the Natixis remuneration policy.

Finally, the entire NIMI remuneration policy is subject to a centralised and independent annual review by Natixis IM's Internal Audit Department.

When NIMI delegates the financial management of one of the portfolios that it manages to another management company, it ensures that this delegated company complies with the regulations in force.

1: For more details on the composition and role of the Natixis Remuneration Committee, see the company's registration document.

Remuneration paid during the last financial year

<u>The total amount of remuneration for the financial year paid by the Management Company to its staff, broken down into fixed and variable remuneration, and the number of beneficiaries, is as follows:</u>

Fixed remuneration in 2022*:	€27,383,602
Variable remuneration awarded for 2022:	€9,378,250
Employees concerned:	363 employees

** Theoretical fixed remuneration for full-time equivalents (FTE) in December 2021*

<u>The aggregate amount of remuneration, broken down into the senior executives and members of staff of the Management Company whose activities have a significant impact on the risk profile of the Management Company and/or portfolios is as follows:</u>

Total remuneration awarded for 2022: €9,689,885 including:

- Senior executives: €2,647,162
- Members of staff: €7,042,723

Employees concerned: 54

OSTRUM ASSET MANAGEMENT remuneration policy

This OSTRUM Asset Management remuneration policy is composed of general principles applicable to all employees (see point “2. General principles”), specific principles applicable to the employees identified under AIFM and UCITS V (see “Breakdown of the system applicable to the employees identified under AIFM and/or UCITS V”) and a governance system applicable to all employees (see “Governance”).

It falls under the remuneration policy defined by Natixis and is established in compliance with the provisions relating to remuneration stipulated in the following regulatory texts, as well as the guidelines of the European Securities and Markets Authority (ESMA) and the positions of the French Financial Markets Authority (Autorité des Marchés Financiers – AMF) resulting therefrom:

- Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers, transposed into the French Monetary and Financial Code by Order No. 2013-676 of 27 July 2013 (“AIFM Directive”)
- Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 on undertakings for collective investment in transferable securities, transposed into the French Monetary and Financial Code by Order No. 2016-312 of 17 March 2016 (“UCITS V Directive”)
- Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, transposed into the French Monetary and Financial Code by Order No. 2016-827 of 23 June 2016, supplemented by Delegated Regulation (EU) 2017/565 of 25 April 2016 (“MiFID II Directive”).

Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector

I- GENERAL PRINCIPLES OF THE REMUNERATION POLICY

The remuneration policy is a strategic aspect of Ostrum Asset Management’s policy. As a tool to enhance employee motivation and commitment, it aims to be competitive and attractive in relation to the rest of the industry while fully complying with key financial indicators and regulations.

Ostrum Asset Management’s remuneration policy, which applies to all employees, counts the alignment of employees’ interests with those of investors among its fundamental principles:

- It is consistent and promotes sound and efficient risk management and does not encourage risk-taking that would be incompatible with the risk profiles, regulations or documents constituting the products managed.
- It is in line with the economic strategy, objectives, values and interests of the Management Company and the products it manages, as well as those of investors, and includes measures aimed at preventing conflicts of interest.

The remuneration policy covers all components of remuneration, which include fixed remuneration and, where applicable, variable remuneration.

Fixed remuneration rewards skills, professional experience and level of responsibility. It takes into account market conditions.
Variable remuneration depends on the assessment of collective performance – measured at the level of the Management Company and the products managed – and individual performance. It considers quantitative and qualitative factors, which may be established on a yearly or multi-year basis.

I-1. Definition of performance

The objective and transparent evaluation of annual and multi-year performance based on predefined objectives is the prerequisite for the application of Ostrum Asset Management's remuneration policy. It ensures the fair and selective treatment of employees. This assessment is shared between the employee and their manager during an individual appraisal interview.

The contribution and performance level of each employee are evaluated with regard to their duties, assignments and level of responsibility in the Management Company. In this context, the remuneration policy distinguishes several categories of staff:

- The Executive Committee is evaluated on its contribution to the definition and implementation of the Management Company's strategy and on its ability to increase performance in terms of product and service offerings and the risk-adjusted financial performance for its scope of supervision. For this category, performance is assessed annually through quantitative indicators, such as changes in Ostrum Asset Management's financial results and supervised activities, as well as qualitative elements, such as the quality of management and/or responsibility/contribution to cross-functional projects.

- Support functions are assessed on their ability to assist with the strategic challenges of the Management Company. Individual performance is assessed annually as a function of the quality of recurring business activity and/or the degree of participation in cross-functional projects or strategic/regulatory projects.

- Assessment of the performance of control functions is based solely on the evaluation of qualitative criteria, such as participation in cross-functional projects or in strategic/regulatory projects, defined annually, to avoid compromising their independence or creating conflicts of interest with the activities they control.

- The performance of management functions is assessed according to quantitative criteria, supplemented by qualitative criteria. Quantitative criteria reflect the challenges of developing the management performance sought by investors without causing excessive risk-taking that could have an impact on the risk profile of Ostrum Asset Management and/or the products managed. These quantitative criteria are calculated over a predefined period in line with the risk-adjusted performance horizon of the funds managed and of the Management Company.

For all categories of staff, the performance assessment incorporates qualitative criteria. These qualitative criteria always incorporate adherence to regulations and internal risk management procedures and respect for the compliance of Ostrum Asset Management.
They may also concern the quality of the relationship with clients, including the level of expertise and advice provided, the contribution to improving the reliability of a process, participation in a cross-disciplinary project, the development of new expertise, participation in the development of operational efficiency or any other areas defined as part of Ostrum Asset Management's strategic objectives.

The method for determining the variable remuneration of the managers is in line with the goal of best serving the interests of clients, with an evaluation of their satisfaction assessed through answers to a questionnaire. The business managers supplement this assessment with an analysis of the information provided by clients and ensure that the asset managers exercise the appropriate level of vigilance with regard to client requests, in particular by ensuring that they remain appropriate.

Specific criteria incorporating risks related to sustainability, i.e. social, environmental and governance issues, must be defined for the members of the Executive Committee, as well as for managers and analysts working within the management teams.

For each category of staff, all quantitative and qualitative objectives are defined and communicated individually at the start of the year, defined in line with the strategic objectives of Ostrum Asset Management.

I-2. Remuneration components

I-2.1. Fixed remuneration

Ostrum Asset Management strives to maintain a level of fixed remuneration that sufficiently remunerates employees for their professional activity.

Fixed remuneration rewards the skills, professional experience and level of responsibility expected of an employee when performing their duties.

The positioning of fixed remuneration is reviewed periodically to ensure that it is consistent with regard to geographical and professional market practices.

Fixed salaries are reviewed once a year as part of the annual remuneration review. Outside that period, only promotions, internal job moves or exceptional individual circumstances may lead to a review.

I-2.2. Variable remuneration

Variable remuneration packages are defined on the basis of the annual results of Ostrum Asset Management, as well as on qualitative elements, such as the practices of competitors, the general market conditions in which the results were obtained and any factors that may have temporarily influenced the performance of the business line.

Variable remuneration, which may be allocated if applicable, remunerates annual performance, both collective and/or individual.

Ostrum Asset Management's collective variable remuneration consists of a profit-sharing and incentive scheme, together with a company savings plan (*plan d'épargne d'entreprise* – PEE) and a company collective retirement savings plan (*plan d'épargne pour la retraite collectif* – PERCOL). Employees can benefit from a matching scheme under these plans.

This collective variable remuneration has no incentive effect on Ostrum Asset Management's risk management and/or the products managed, and does not fall within the scope the AIFM or UCITS V directives.

In compliance with the total variable remuneration packages, individual variable remuneration is allocated as part of the annual remuneration review in an objective and discretionary manner, on the basis of the assessment of individual performance and the way in which this performance is achieved. Variable remuneration awarded to employees is affected by inappropriate risk and compliance management, or non-compliance with regulations and internal procedures over the year considered (see "2.1 Definition of performance" above).

Identified employees are subject to specific obligations for adherence to the rules on risks and compliance. A breach of these obligations may result in a partial reduction or total cancellation of the individual variable remuneration awarded.

In the event of a loss or a significant decline in its profits, Ostrum Asset Management may also decide to reduce or cancel the entire package allocated to individual variable remuneration, as well as, if applicable, any deferred instalments of variable remuneration already awarded and not fully vested.

Similarly, in the event that a major sustainability-related risk materialises, i.e. an environmental, social or governance event or situation occurs that could have a material and lasting adverse impact on the value of the funds/products under management, the package allocated to individual variable remuneration may be reduced or even cancelled, as may any deferred instalments of variable remuneration previously awarded and not yet fully vested.

There are no contractual guarantees for variable remuneration, with the occasional exception of variable remuneration awarded for the first year of work in connection with external recruitment.

“Golden parachute” agreements are forbidden. Payments related to the early termination of an employment contract are defined in accordance with legal provisions (legal and contractual indemnities) and the performance of the beneficiary, the area of the business to which they belong and the performance of the entire Management Company over the period. They are designed to avoid rewarding failure.

Variable remuneration is not paid through instruments or methods that facilitate circumvention of the requirements established in the regulations.

I-2.3. Key employee retention scheme

Ostrum Asset Management wants to ensure that its investors benefit from the continuity of service of its most talented employees and those identified as key in terms of their commitment or contribution to results.

In order to achieve this, a deferred remuneration system has been incorporated into its remuneration policies.

Beyond a certain variable threshold, this system leads to the allocation of a portion of the variable remuneration in the form of a cash payment indexed to the performance of a basket of products managed by Ostrum Asset Management. The portion of variable remuneration thus deferred is vested in equal tranches over a period of at least three years and gives employees a stake in the performance of Ostrum Asset Management.

This scheme is subject to conditions of employment and the absence of conduct inconsistent with the company’s standards that could have an impact on the level of risk of Ostrum Asset Management and/or the products managed. Vesting of these tranches may be subject to a repayment commitment, either in full or in part, in order to ensure ex-post risk adjustment.

I-2.4. Balance between fixed and variable remuneration

Ostrum Asset Management ensures that there is an appropriate balance between the fixed and variable components of the total remuneration and that the fixed component represents a sufficiently high portion of the total remuneration so that a fully flexible policy can be exercised with regard to variable components of remuneration, including the option of not paying any variable component. All individual situations for which variable remuneration represents more than twice the fixed remuneration, and which can be explained by market practice and/or exceptional level of responsibility, performance and behaviour, are documented by the Human Resources Department as part of the annual remuneration review.

II- IMPLEMENTATION OF THE SCHEME APPLICABLE TO EMPLOYEES IDENTIFIED UNDER AIFM AND/OR UCITS V

II-1. Identified employees

In accordance with regulatory provisions, Ostrum Asset Management’s identified staff comprises employee categories, including executive management, risk-takers and individuals exercising a control function, as well as any employee who, on the basis of their total remuneration, is in the same remuneration bracket as executive management and risk-takers, whose professional activities have a material impact on the risk profile of the management company and/or the products managed by the management company. These individuals are identified on the basis of their employment activities, their level of responsibility or their level of total remuneration.

To maintain consistency and alignment, Ostrum Asset Management has decided to implement the system applicable to the identified population across the full scope of products managed (mandates, UCITS and AIFs).

The following employee categories are identified:

- Members of the management body,
- Employees responsible for portfolio management,
- Managers of control functions (risk, compliance and internal control),
- Managers of support or administrative functions,
- Other risk-takers,
- Employees who, given their total remuneration, are in the same remuneration bracket as executive management and risk-takers.

Each year, prior to the annual remuneration review, the Human Resources Department draws up and formalises the identification methodology and scope of Ostrum Asset Management's identified employees, in conjunction with the Department of Permanent Controls.

The scope of all identified employees is then validated by the Executive Management of Ostrum Asset Management and sent for approval to the Board of Directors in its supervisory role, before being presented to the Natixis Remuneration Committee.

The entire identification process is documented and archived by the Human Resources Department. The employees concerned are also informed of their status.

II-2. Scheme applicable to variable remuneration allocated to identified employees

In accordance with regulations and in order to ensure alignment between employees, investors and the management company, as soon as the variable remuneration of identified employees exceeds a certain threshold, it is partly deferred and partly awarded in the form of a financial instrument vesting pro rata temporis over a period of at least three years.

The proportion of the variable remuneration that is deferred over three years increases with the amount of variable remuneration awarded and can reach 60% for those with the highest remuneration at Ostrum Asset Management. Currently, the application methods for the deferred payment are as follows:

- Up to €199,000 in variable remuneration: no deferral
- Between €200,000 and €499,000 in variable remuneration: 50% of the amount deferred from the first euro
- From €500,000 in variable remuneration: 60% of the amount deferred from the first euro

The thresholds for triggering deferred variable remuneration are subject to change depending on regulations or changes to internal policies. In this case, the new thresholds defined are subject to approval by the Ostrum Asset Management Executive Committee and the Natixis Remuneration Committee.

A minimum of 50% of the variable remuneration is also awarded in financial instruments in the form of cash payments indexed to the performance of a basket of products managed by Ostrum Asset Management.

The vesting of the deferred portion of variable remuneration is subject to conditions of continued employment, the financial performance of the management company, and the absence of conduct inconsistent with the company's standards that could have an impact on the level of risk for Ostrum Asset Management and/or the products managed.

This vesting is also subject to obligations in terms of adherence to the rules on risks and compliance. Failure to comply with these obligations may result in a partial or total reduction of the vested portion. It may also be subject to a full or partial repayment commitment in order to ensure ex-post risk adjustment.

Employees in receipt of deferred variable remuneration are prohibited from using personal hedging or insurance strategies over the entire vesting period.

The terms and conditions for determining, valuing, awarding, vesting and paying deferred variable remuneration as an equivalent financial instrument are detailed in Ostrum Asset Management's Long-Term Incentive Plan (LTIP).

III- GOVERNANCE

The general and specific principles of the remuneration policy are defined and documented by the Ostrum Asset Management Human Resources Department.

Ostrum Asset Management's Permanent Controls Department and Risk Department have an active role in the development, ongoing monitoring and assessment of the remuneration policy. They are thus involved in determining the overall strategy applicable to the Management Company to promote the development of effective risk management. In this respect, they are involved in determining the scope of the identified population for the Permanent Controls Department and in determining the indexing and the basket of funds for the LTIP for the Risk Department. The Risk Department is also responsible for assessing the impact of the variable remuneration structure on the risk profile of managers.

Ostrum Asset Management's remuneration policy is approved by the Ostrum Asset Management Board of Directors in its supervisory function.

The general and specific principles, application methods and quantified data of the remuneration policy, including the identified staff and the highest levels of remuneration, are approved in detail by the members of the Executive Committee of Ostrum Asset Management.

The Ostrum Asset Management Remuneration Committee is established and acts in accordance with regulations:

- both in its composition: the independence and expertise of its members, the majority of whom, including its Chairman, do not perform executive functions within Ostrum Asset Management, and are therefore independent
- And in the exercise of its duties, which include the following roles:
    - Advice and assistance to the Board of Directors for the development and implementation of the Management Company's remuneration policy;
    - Assistance to the Board of Directors in overseeing the development and operation of the Management Company's remuneration system;
    - Particular attention is paid to the assessment of the mechanisms adopted to ensure that the remuneration system considers all the categories of risk, liquidity and level of assets under management in an appropriate manner and to ensure compatibility of the remuneration policy with the economic strategy, objectives, values and interests of the Management Company and the products managed, as well as with those of investors.

In this context, the general and specific principles, the compliance of Ostrum Asset Management's remuneration policy with the applicable regulations to which it is subject and the application methods and quantified summary data of its remuneration policy, including the identified employees and the highest levels of remuneration, are submitted to the Ostrum Asset Management Remuneration Committee for review, before being approved by its Board of Directors in its supervisory role.

The Executive Management of Natixis Investment Managers then submits the above information in summary form for the approval of Natixis's Executive Management, which then transmits it to the Natixis Remuneration Committee, before it is approved by its Board of Directors in its supervisory role.

The Natixis Remuneration Committee itself is established and acts in accordance with regulations, both in its membership (the independence and expertise of its members) and in the exercise of its duties. The majority of its members, including its Chairman, do not hold executive positions within Ostrum Asset Management, are outside the Natixis Group and are therefore completely independent.

The remuneration of Ostrum Asset Management's Chief Executive Officer is proposed by the Executive Management of Natixis Investment Managers and Natixis, then presented to the Ostrum Asset Management Remuneration Committee and finally to the Natixis Remuneration Committee.

The remuneration packages of Risk and Compliance Directors of Ostrum Asset Management are reviewed, as part of the independent reviews carried out by the Risk and Compliance units, by the Risk and Compliance Directors of Natixis Investment Managers. They are then submitted to the Ostrum Asset Management Remuneration Committee, and then to the Natixis Remuneration Committee.

In short, all roles assigned to remuneration committees and set out in the regulatory texts are in practice performed by the Remuneration Committee established at Ostrum Asset Management and/or by the Natixis Remuneration Committee.

The general and specific principles of the remuneration policy are communicated internally to all employees and members of the Works Council. Ostrum Asset Management also complies with all its obligations in terms of external reporting.

This entire review, validation and communication process takes place every year. It includes any regulatory and contextual changes and is conducted in line with the Natixis remuneration policy.

Finally, the entire remuneration policy of Ostrum Asset Management is subject to a centralised and independent annual review by the Internal Audit Department of Natixis Investment Managers.
When Ostrum Asset Management delegates the financial management of one of the portfolios that it manages to another management company, it ensures that the delegated company is in compliance with the regulations in force.

Remuneration paid during the last financial year

The total amount of remuneration for the financial year paid by the Management Company to its staff, broken down into fixed and variable remuneration, and the number of beneficiaries, is as follows:

Fixed remuneration in 2022*: €9,689,885

Variable remuneration awarded for 2022: €10,419,005

Employees concerned: 357 employees

**Theoretical fixed remuneration for full-time equivalent (FTE) employees as at 31 December 2022*

The aggregate amount of remuneration, broken down into the senior executives and members of staff of the Management Company whose activities have a significant impact on the risk profile of the Management Company and/or portfolios is as follows:

Total remuneration awarded for 2022: €15,943,236 including:

- Senior executives: €3,850,000
- Members of staff: €12,093,236

Employees concerned: 83

IV – FEES AND TAXES

- **Retrocession of management fees**

In accordance with portfolio management best practice, the provisions of Article 411-130 of the AMF's General Regulations prohibit the payment to the delegated Management Company of management fees or subscription and redemption fees in respect of investments made by the Management Company in UCI units or shares or in investment funds on the SICAV's behalf.
The Management Company has implemented the necessary measures to ensure that all such retrocessions are paid directly to the SICAV.

- **Intermediation fees**

Detailed information on the terms and conditions applied by the Management Company for order execution or investment decision-making support services during the year ended can be found online at: **https://www.im.natixis.com** (regulatory-information)

- **Withholdings at source**

This UCI is not subject to withholdings at source.

V - INCOME - ALLOCATION

- **Review of the financial statements and results**

We shall now present in detail the annual financial statements that we are submitting for your approval and which have been prepared in accordance with the reporting rules and valuation methods provided for by the regulations in force.

Further explanations are provided in the appendix.

A reminder of the financial statements for the previous financial year is provided for comparison purposes.

Net assets, which stood at €272,273,581.11 on 31 March 2022, broken down into:
- 98,710.1394 R(C) shares
- 61,706.6269 R(D) shares
- 972.9142 I(C) shares
- 8,825.6640 N(C) shares
- 87.3470 N(D) shares
- 1.8502 UNICREDIT(C) shares
- 27,905.0659 SN(C) shares

amounted to €343,874,668.59 at 31 March 2023 broken down into:
- 189,110.0301 R(C) shares
- 39,870.0693 R(D) shares
- 1,001.4743 I(C) shares
- 16,084.6313 N(C) shares
- 0 N(D) shares
- 1.8502 UNICREDIT(C) shares
- 90,719.6477 SN(C) shares

- **Proposed allocation of distributable income**

We request that you approve the annual financial statements (balance sheet, off-balance sheet items, income statement and notes) as they have been presented and which show a profit for the financial year of €3,641,396.19.

We propose the following distributions and allocations of distributable income:

I – Distributable income relating to profit

The distributable income relating to profit amounts to €3,641,396.19 plus retained earnings of €470.51, i.e. an amount to be allocated of €3,641,866.70.

It is proposed that these amounts be allocated as follows:

R(C) shares

The amount to be allocated in respect of the portion relating to income is €757,936.95.
It is proposed that this sum be allocated to the capital account in accordance with the statutory provisions.

It is noted that distributable income related to profit was accumulated in full during the previous three financial years.

R(D) shares

The amount to be allocated in respect of the proportion relating to income is EUR 98,183.93.

The following allocations are proposed:

- to shareholders in the form of dividends: €98,080.37
- to retained earnings: €103.56.

It is proposed to the Board of Directors that ii set the net dividend per R(D) share at €2.46 for the financial year.

This dividend is composed of income from French bonds for €0.67 and European bonds for €1.79.

For shareholders who are natural persons domiciled in France, this income is subject to a compulsory non-definitive withholding tax of 12.8%, pursuant to the provisions stipulated in Article 125 A III bis of the French General Tax Code. This withholding tax may be offset against the income tax owed for the year in which it applies. In fact, this income is ultimately subject to a single lump-sum deduction from gross income at a fixed rate of 12.8%, or, at the taxpayer's explicit, irrevocable and comprehensive choice, to income tax according to the progressive schedule (Article 200 A of the French General Tax Code). Income is also subject to social security deductions at the rate of 17.2%.

This dividend, which does not entitle tax residents in France to a tax credit, will go ex-dividend on 19 July 2023 and be payable on 21 July 2023.

It is noted that the net dividends paid in respect of previous financial years were as follows:

Financial year	Net dividend
2021/2022	€0.79
2020/2021	€1.68
2019/2020	€2.72

I(C) shares

The amount to be allocated in respect of the proportion relating to income is €1,607,780.04.
It is proposed that this sum be allocated to the capital account in accordance with the statutory provisions.

It is noted that distributable income related to profit was accumulated in full during the previous three financial years.

N(C) shares

The amount to be allocated in respect of the proportion relating to income is €158,382.
It is proposed that this sum be allocated to the capital account in accordance with the statutory provisions.

It is noted that distributable income related to profit was accumulated in full during the previous three financial years.

N(D) shares

The sum to be allocated in respect of the portion relating to income is €0, plus the carry-forward of €0.59 from the previous financial year, giving a total amount of €0.59.

It is proposed that this amount be allocated as follows:

- to shareholders in the form of dividends: €0.00
- to retained earnings €0.59

It is noted that the following dividends were distributed in respect of the two previous financial years:

Financial year	Net dividend
2021/2022	€0.54
2020/2021	€50
2019/2020	€10.27

UNICREDIT(C) shares

The amount to be allocated in respect of the proportion relating to income is €18.72.
It is proposed that this sum be allocated to the capital account in accordance with the statutory provisions.

It is noted that distributable income related to profit was accumulated in full during the previous three financial years.

SN(C) shares

The amount to be allocated in respect of the proportion relating to income is €1,019,564.47.
It is proposed that this sum be allocated to the capital account in accordance with the statutory provisions.

It is noted that distributable income has been accumulated in full over the last three financial years.

II – <u>Distributable income relating to net capital gains and losses</u>

The amount to be allocated in respect of the proportion relating to net gains and losses showed a negative balance of €26,083,557.63.

It is proposed to allocate them as follows:

R(C) shares

The amount to be allocated in respect of the proportion relating to net gains and losses showed a negative balance of €6,770,763.31.
It is proposed that this sum be allocated to the capital account in accordance with the provisions of the articles of association.

It is noted that distributable income relating to net gains and losses was accumulated in full during the previous three financial years.

R(D) shares

The amount to be allocated in respect of the proportion relating to net gains and losses showed a negative balance of €873,593.51.
It is proposed that this sum be allocated to the capital account in accordance with the provisions of the articles of association.

It is noted that distributable income relating to net gains and losses was accumulated in full during the previous three financial years.

I(C) shares

The amount to be allocated in respect of the proportion relating to net gains and losses showed a negative balance of €10,990,561.92.
It is proposed that this sum be allocated to the capital account in accordance with the provisions of the articles of association.

It is noted that distributable income relating to net gains and losses was accumulated in full during the previous three financial years.

N(C) shares:

The amount to be allocated in respect of the proportion relating to net gains and losses showed a negative balance of €1,136,012.99.
It is proposed that this sum be allocated to the capital account in accordance with the provisions of the articles of association.

It is noted that distributable income relating to net gains and losses was accumulated in full during the previous three financial years.

N(D) shares

The amount to be allocated for the share relating to net gains and losses is €0.
It is proposed that this amount be allocated to the capital account in accordance with the provisions of the articles of association.

It is noted that distributable income relating to net gains and losses was accumulated in full during the previous financial year.

UNICREDIT(C) shares

The sum to be allocated in respect of the portion relating to net gains and losses amounted to a negative balance of €129.99 for the financial year.
It is proposed that this sum be allocated to the capital account in accordance with the provisions of the articles of association.

It is noted that distributable income relating to net gains and losses was accumulated in full during the previous three financial years.

SN(C) shares

The sum to be allocated in respect of the portion relating to net gains and losses amounted to a negative balance of €6,312,495.91.
It is proposed that this sum be allocated to the capital account in accordance with the provisions of the articles of association.

It is noted that distributable income relating to net gains and losses was accumulated in full during the previous three financial years.

- Table of financial results for the last five financial years

In accordance with the provisions of Article R. 225-102 of the French Commercial Code, the statement showing the Company's financial results for each of the last five financial years is appended to this report.

Your board requests that, after reading the reports presented by your statutory auditor, you adopt the resolutions on which you are asked to vote.

The Board of Directors

Appendix 1

AGENDA

AND DRAFT RESOLUTIONS

- Reading of the reports of the Board of Directors and the statutory auditor on the financial statements for the financial year ended 31 March 2023;
- Reading of the statutory auditor's special report on the agreements referred to in Article L. 225-38 of the French Commercial Code;
- Reading of the statutory auditor's report on corporate governance;
- Review and approval of the annual financial statements, discharge of the directors;
- Allocation of distributable income;
- Powers for the completion of formalities.

FIRST RESOLUTION

The Ordinary General Meeting, having considered the reports of the Board of Directors and the Statutory Auditor, approves the portfolio breakdown and the annual financial statements, namely the balance sheet, off-balance sheet items, income statement and notes dated 31 March 2023, as presented to it, as well as the transactions reflected in these financial statements and summarised in these reports.

The Ordinary General Meeting noted that net assets, which amounted to €272,273,581.11
on 31 March 2022, divided into:
- 98,710.1394 R(C) shares
- 61,706.6269 R(D) shares
- 972.9142 I(C) shares
- 8,825.6640 N(C) shares
- 87.3470 N(D) shares
- 1.8502 UNICREDIT(C) share
- 27,905.0659 SN(C) shares

amounted to €343,874,668.59 on 31 March 2023, divided into:
- 189,110.0301 R(C) shares
- 39,870.0693 R(D) shares
- 1,001.4743 I(C) shares
- 16,084.6313 N(C) shares
- 0 N(D) shares
- 1.8502 UNICREDIT(C) share
- 90,719.6477 SN(C) shares

Consequently, for the year ended 31 March 2023, it grants full and unconditional discharge to the directors in respect of their management for this financial year.

SECOND RESOLUTION

The Ordinary General Meeting, having considered the Statutory Auditor's special report on the agreements referred to in Article L. 225-38 et seq. of the French Commercial Code and giving its decision on this report, approves its findings.

THIRD RESOLUTION

The Ordinary General Meeting, having considered the Statutory Auditor's report on corporate governance referred to in Article L. 225-37 of the French Commercial Code and giving its decision on this report, approves its findings.

FOURTH RESOLUTION

The Ordinary General Meeting, noting that the distributable sums from the income for the financial year ended 31 March 2023 totalled €3,641,396.19 plus
retained earnings of €470.51, totalling an amount of €3,641,866.70 to be allocated, approves the following distributions and allocations pursuant to the provisions of the Articles of Association:

R(C) shares:
The amount to be allocated in respect of the portion relating to income is €757,936.95.

The Ordinary General Meeting resolves to allocate these sums to the capital account in accordance with statutory provisions.

It is noted that distributable income has been accumulated in full over the last three financial years.

R(D) shares:
The distributable income relating to income amounts to €98,183.93.

The General Meeting resolves to allocate these sums as follows:

o	to shareholders in the form of dividends:	€98,080.37
o	to retained earnings:	€103.56

The Ordinary General Meeting approves a net dividend per R(D) share for the financial year of €2.46.
This dividend does not entitle those domiciled in France for tax purposes to any tax credits.

This dividend is composed of €0.67 from profit from French bonds and €1.79 from profit from European bonds.

For shareholders who are natural persons domiciled in France, this income is subject to a compulsory non-definitive withholding tax of 12.8%, pursuant to the provisions stipulated in Article 125 A III bis of the French General Tax Code. This withholding tax may be offset against the income tax owed for the year in which it applies. In fact, this income is ultimately subject to a single lump-sum deduction from gross income at a fixed rate of 12.8%, or, at the taxpayer's explicit, irrevocable and comprehensive choice, to income tax according to the progressive schedule (Article 200 A of the French General Tax Code). Income is also subject to social security deductions at the rate of 17.2%.

This dividend, which does not entitle tax residents in France to a tax credit, will go ex-dividend on 19 July 2023 and be payable on 21 July 2023.

It is noted that the net dividends paid in respect of the previous three financial years were as follows:

Financial year	Net dividend
2022/2023	€0.79
2021/2022	€1.68
2020/2021	€2.72

I(C) shares:
The amount to be allocated in respect of the portion relating to distributable income is
€1,607,780.04 for the financial year.
The Ordinary General Meeting resolves to allocate these sums to the capital account in accordance with statutory provisions.
It is noted that distributable income has been accumulated in full over the last three financial years.

N(C) shares:
The amount to be allocated in respect of the portion relating to distributable income is
€158,382 for the financial year.
The Ordinary General Meeting resolves to allocate these sums to the capital account in accordance with statutory provisions.
It is noted that distributable income has been accumulated in full over the last three financial years.

N(D) shares:
The sum to be allocated in respect of the portion relating to profit is €0, plus the carry-forward of €0.59 from the previous financial year, i.e. the amount of €0.59 to be allocated.

The General Meeting resolves to allocate these sums as follows:

- o to shareholders in the form of dividends: €0.00
- o to retained earnings: €0.59

It is noted that the following dividends were distributed in respect of the three previous financial years:

Financial year	Net dividend
2021/2022	€0.54
2020/2021	€50
2019/2020	€10.27

UNICREDIT(C) shares:
The amount to be allocated in respect of the portion relating to distributable income is €18.72 for the financial year.
The Ordinary General Meeting resolves to allocate these sums to the capital account in accordance with statutory provisions.
It is noted that distributable income has been accumulated in full over the last three financial years.

SN(C) shares:
The amount to be allocated in respect of the portion relating to distributable income is €1,019,564.47 for the financial year.
The Ordinary General Meeting resolves to allocate these sums to the capital account in accordance with statutory provisions.
It is noted that distributable income has been accumulated in full over the last three financial years.

FIFTH RESOLUTION

The Ordinary General Meeting, noting that the distributable income relating to the portion of net capital gains and losses presents a negative balance of €26,083,557.63, approves the allocation of these sums as follows:

R(C) shares:
The sum to be allocated in respect of the portion relating to net gains and losses amounted to a negative balance of €6,770,763.31 for the financial year.
The Ordinary General Meeting resolves to allocate these sums to the capital account in accordance with the statutory provisions.
It is noted that distributable income relating to gains and losses was accumulated in full during the previous three financial years.

R(D) shares:
The sum to be allocated in respect of the portion relating to net gains and losses amounted to a negative balance of €873,593.51 for the financial year.
The Ordinary General Meeting resolves to allocate these sums to the capital account in accordance with the statutory provisions.
It is noted that distributable income relating to gains and losses was accumulated in full during the previous three financial years.

I(C) shares
The sum to be allocated in respect of the portion relating to net gains and losses amounted to a negative balance of €10,990,561.92 for the financial year.
The Ordinary General Meeting resolves to allocate these sums to the capital account in accordance with the statutory provisions.
It is noted that distributable income relating to net gains and losses was accumulated in full during the previous three financial years.

N(C) shares:
The sum to be allocated in respect of the portion relating to net gains and losses amounted to a negative balance of €1,136,012.99 for the financial year.
The Ordinary General Meeting resolves to allocate these sums to the capital account in accordance with the statutory provisions.
It is noted that distributable income relating to gains and losses was accumulated in full during the previous three financial years.

N(D) shares:
The amount to be allocated in respect of the portion relating to net gains and losses is €0 for the financial year.
The Ordinary General Meeting resolves to allocate this sum to the capital account in accordance with the statutory provisions.
It is noted that distributable income relating to gains and losses was accumulated in full during the previous three financial years.

UNICREDIT(C) shares:
Distributable income from net gains and losses showed a negative balance of €129.99 for the financial year.
The Ordinary General Meeting resolves to allocate these sums to the capital account in accordance with the statutory provisions.
It is noted that distributable income relating to gains and losses was accumulated in full during the previous three financial years.

SN(C) shares:
Distributable income from net gains and losses showed a negative balance of €6,312,495.91 for the financial year.
The Ordinary General Meeting resolves to allocate these sums to the capital account in accordance with the statutory provisions.
It is noted that distributable income relating to gains and losses was accumulated in full during the previous three financial years.

SIXTH RESOLUTION

The Ordinary General Meeting grants full powers to the bearer of a copy or extract of these resolutions to carry out any and all filing formalities and disclosures required by law.

Appendix 2

ANNUAL FINANCIAL STATEMENTS AS AT 31/03/2023

- Balance sheet
- Off-balance sheet items
- Income statement
- Appendices
- Inventory

OSTRUM SRI EURO SOVEREIGN BONDS

ANNUAL FINANCIAL STATEMENTS
AT 31/03/2023

BALANCE SHEET – ASSETS AT 31/03/2023 IN EUR

	31/03/2023	31/03/2022
NET FIXED ASSETS	**0.00**	**0.00**
DEPOSITS	**40,667,883.22**	**18,986,007.58**
FINANCIAL INSTRUMENTS	**352,212,227.96**	**313,817,850.39**
Equities and equivalent securities	**8,867,640.66**	**19,313,170.84**
Traded on a regulated or equivalent market	8,867,640.66	19,313,170.84
Not traded on a regulated or equivalent market	0.00	0.00
Bonds and equivalent securities	**273,871,750.11**	**205,037,237.59**
Traded on a regulated or equivalent market	273,871,750.11	205,037,237.59
Not traded on a regulated or equivalent market	0.00	0.00
Debt securities	**0.00**	**0.00**
Traded on a regulated or equivalent market	0.00	0.00
Negotiable debt securities	0.00	0.00
Other debt securities	0.00	0.00
Not traded on a regulated or equivalent market	0.00	0.00
Undertakings for collective investment	**18,132,808.42**	**26,787,740.71**
General-purpose UCITS and AIFs intended for non-professionals, and equivalents in other countries	18,132,808.42	26,787,740.71
Other funds intended for non-professionals, and equivalents in other EU Member States	0.00	0.00
General-purpose investment funds intended for professionals, equivalents in other EU Member States and listed securitisation vehicles	0.00	0.00
Other professional investment funds and their equivalents in other EU Member States and unlisted securitisation vehicles	0.00	0.00
Other non-European undertakings	0.00	0.00
Temporary securities transactions	**50,371,888.79**	**62,610,211.25**
Receivables on securities received under repurchase agreements	0.00	0.00
Receivables on loaned securities	9,751,798.09	45,856,713.23
Borrowed securities	0.00	0.00
Securities transferred under repurchase agreements	40,620,090.70	16,753,498.02
Other temporary transactions	0.00	0.00
Forward financial instruments	**968,139.98**	**69,490.00**
Transactions on a regulated or equivalent market	968,139.98	69,490.00
Other transactions	0.00	0.00
Other financial instruments	**0.00**	**0.00**
RECEIVABLES	**27,969,868.70**	**8,491,492.03**
Forward foreign exchange transactions	0.00	0.00
Other	27,969,868.70	8,491,492.03
FINANCIAL ACCOUNTS	**9,923,934.01**	**448,838.08**
Cash and cash equivalents	9,923,934.01	448,838.08
TOTAL ASSETS	**430,773,913.89**	**341,744,188.08**

BALANCE SHEET – EQUITY AND LIABILITIES AT 31/03/2023 IN EUR

	31/03/2023	31/03/2022
SHAREHOLDERS' EQUITY		
Capital	366,316,359.52	271,748,767.16
Undistributed prior net gains and losses (a)	0.00	0.00
Retained earnings (a)	470.51	556.57
Net gains and losses for the financial year (a, b)	-26,083,557.63	-867,441.04
Income for the financial year (a, b)	3,641,396.19	1,391,698.42
TOTAL SHAREHOLDERS' EQUITY*	**343,874,668.59**	**272,273,581.11**
** Amount representative of net assets*		
FINANCIAL INSTRUMENTS	**52,371,214.92**	**69,192,814.10**
Sales of financial instruments	0.00	0.00
Temporary securities transactions	51,403,074.92	69,123,324.10
Payables on securities transferred under repurchase agreements	41,057,597.10	20,033,493.94
Payables on borrowed securities	0.00	0.00
Other temporary transactions	10,345,477.82	49,089,830.16
Forward financial instruments	968,140.00	69,490.00
Transactions on a regulated or equivalent market	968,140.00	69,490.00
Other transactions	0.00	0.00
PAYABLES	**34,528,030.38**	**277,792.87**
Forward foreign exchange transactions	0.00	0.00
Other	34,528,030.38	277,792.87
FINANCIAL ACCOUNTS	**0.00**	**0.00**
Current bank loans	0.00	0.00
Borrowings	0.00	0.00
TOTAL LIABILITIES	**430,773,913.89**	**341,744,188.08**

(a) Including accruals

(b) Less interim dividends paid during the financial year

OFF-BALANCE SHEET ITEMS AT 31/03/2023 IN EUR

	31/03/2023	31/03/2022
HEDGING TRANSACTIONS		
Commitments on regulated or equivalent markets		
Futures contracts		
SHORT EUR-BTP 0623	25,921,020.00	0.00
XEUR FBTP BTP 0622	0.00	5,947,330.00
XEUR FBTP BTP 0623	3,575,850.00	0.00
EURO BOBL 0623	45,501,680.00	0.00
FGBL BUND 10A 0622	0.00	11,582,180.00
FGBL BUND 10A 0623	26,624,640.00	0.00
Commitments on over-the-counter markets		
Other commitments		
OTHER TRANSACTIONS		
Commitments on regulated or equivalent markets		
Futures contracts		
EURO SCHATZ 0623	528,475.00	0.00
XEUR FGBX BUX 0622	0.00	2,048,200.00
XEUR FGBX BUX 0623	3,944,080.00	0.00
Commitments on over-the-counter markets		
Other commitments		

INCOME STATEMENT AT 31/03/2023 IN EUR

	31/03/2023	31/03/2022
Income from financial transactions		
Income from deposits and financial accounts	333,408.59	-485.93
Income from equities and equivalent securities	0.00	0.00
Income from bonds and equivalent securities	3,882,171.57	3,117,785.88
Income from debt securities	0.00	0.00
Income from securities financing transactions	74,447.52	347,101.03
Income from forward financial instruments	0.00	0.00
Other financial income	0.00	0.00
TOTAL (1)	**4,290,027.68**	**3,464,400.98**
Expenses on financial transactions		
Expenses on temporary acquisitions and sales of securities	247,354.26	76,784.23
Expenses on forward financial instruments	0.00	0.00
Expenses on financial debt	63,538.58	282,804.52
Other financial expenses	0.00	0.00
TOTAL (2)	**310,892.84**	**359,588.75**
PROFIT/LOSS FROM FINANCIAL TRANSACTIONS (1 - 2)	**3,979,134.84**	**3,104,812.23**
Other income (3)	0.00	0.00
Management fees and provisions for depreciation and amortisation (4)	1,303,829.82	1,787,778.81
NET PROFIT/LOSS FOR THE FINANCIAL YEAR (L. 214-17-1) (1 - 2 + 3 - 4)	**2,675,305.02**	**1,317,033.42**
Income equalisation for the financial year (5)	966,091.17	74,665.00
Interim dividends paid over the financial year (6)	0.00	0.00
PROFIT/LOSS (1 - 2 + 3 - 4 + 5 - 6)	**3,641,396.19**	**1,391,698.42**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1. Accounting rules and methods

The annual financial statements are presented in the form provided for by ANC Regulation 2014-01, as amended.

The following general accounting principles apply:
- a true and fair view, comparability and going concern,
- regularity and accuracy,
- prudence,
- consistency in accounting methods from one financial year to the next.

Income from fixed income securities is recorded using the accrued interest method.

Purchases and sales of securities are recorded exclusive of fees.
The reference currency of the portfolio is the euro.
The financial year covers the period from 1 April 2022 to 31 March 2023.

Asset valuation rules

Financial instruments are recorded using the historical cost method and entered in the balance sheet at their current value, i.e. at their last known market value, or, where there is no market, via any external method or using financial modelling.
Differences between the current values used to calculate the net asset value (NAV) and the historical costs of transferable securities when these were first included in the portfolio are recorded in the accounts as "valuation differences".
Securities denominated in currencies other than the portfolio's reference currency are valued using the policy described below, and then converted into the portfolio's reference currency at the exchange rate on the valuation date.

Deposits:

Deposits with a residual life of three months or less are valued on a straight-line basis.

Equities, bonds and other securities traded on a regulated or equivalent market:

To calculate the net asset value, equities and other securities traded on a regulated or equivalent market are valued based on the final stock market price of the day.
Bonds and equivalent securities are valued at the closing price notified by various financial service providers.
Interest accrued on bonds and equivalent securities is calculated up to the net asset value date.

Equities, bonds and other securities not traded on a regulated or equivalent market:

Securities not traded on a regulated market are valued under the responsibility of the Board of Directors using methods based on asset value and yields, taking into account the prices used in recent significant transactions.

Negotiable debt securities:

Negotiable debt securities and equivalent securities that are not traded in large volumes are valued using an actuarial method based on a reference rate as defined below, which is adjusted, where applicable, by a differential that is representative of the intrinsic characteristics of the issuer:

- Negotiable debt securities maturing in one year or less: Euro Interbank Offered Rate (Euribor);
- Negotiable debt securities maturing in over one year: Rates for French Treasury Bills (BTAN) or equivalent bonds (OAT) with similar maturity dates for longer durations.

Negotiable debt securities with a residual life of three months or less may be valued on a straight-line basis.

French treasury bills are valued at the market rate published daily by the Banque de France or treasury bill specialists.

UCIs held:

UCI units or shares will be valued at the last known net asset value.

Temporary securities transactions:

Securities received under repurchase agreements are recorded at the contracted amount, plus any accrued interest receivable, under assets in the item “Receivables on securities received under repurchase agreements” heading.

Securities transferred under repurchase agreements are recognised in the long portfolio at their current value. Payables on securities transferred under repurchase agreements are recognised in the short portfolio at the contractual value plus any accrued interest payable.

Loaned securities are valued at their current value and are recorded as assets at their current value, plus accrued interest receivable, under the “Receivables on loaned securities”.

Borrowed securities are recorded as assets under the “Borrowed securities” item at the contracted amount, and as liabilities under the “Payables on borrowed securities” item at the contracted amount, plus any accrued interest payable.

Forward financial instruments:

Forward financial instruments traded on a regulated or equivalent market:

Forward financial instruments traded on a regulated market are valued at the day’s settlement price.

Forward financial instruments not traded on a regulated or equivalent market:

Swaps:

Interest rate and/or currency swaps are valued at their market value on the basis of a price calculated by discounting future interest flows at market interest rates and/or exchange rates. The resulting price is then adjusted for issuer risk.

Index swaps are valued using an actuarial method based on a reference rate supplied by the counterparty.

Other swaps are valued at their market value or at a value estimated in accordance with the procedures set by the Board of Directors.

Off-balance sheet commitments:

Futures contracts are recorded as off-balance sheet commitments at their market value based on the price used in the portfolio.
Options are recognised at a value equivalent to that of their underlying assets.
Swap commitments are recorded at their nominal value or, where there is no nominal value, at an equivalent amount.

Management fees

Operating and management fees cover all fees relating to the UCI: fees for financial management, administration, accounting, custody, distribution, auditing services etc.
These fees are recorded in the income statement for the UCI.
Management fees do not include transaction fees. For more information about the fees charged to the UCI, please see the prospectus.

These are recorded pro rata temporis at each net asset value calculation.

The combined total of these fees is limited to the maximum fee rate for net assets, as indicated in the prospectus or the Fund regulations:
FR0000171233 - OSTRUM SOUVERAINS EURO N(D) share: Maximum fee rate of 0.70% including tax.
FR0013029113 - OSTRUM SRI EURO SOVEREIGN BONDS SN(C) share: Maximum fee rate of 0.36% including tax.

FR0012872083 - OSTRUM SRI EURO SOVEREIGN BONDS UNICREDIT share: Maximum fee rate of 0.45% including tax.
FR0011505098 - OSTRUM SRI EURO SOVEREIGN BONDS N share: Maximum fee rate of 0.50% including tax.
FR0010655456 - Action OSTRUM SRI EURO SOVEREIGN BONDS I(C) share: Maximum fee rate of 0.45% including tax.
FR0000003196 - Action OSTRUM SRI EURO SOVEREIGN BONDS R share: Maximum fee rate of 0.70% including tax.
FR0013292273 - Action OSTRUM SRI EURO SOVEREIGN BONDS Action SN(D) share: Maximum fee rate of 0.36% including tax.
FR0013309846 - OSTRUM SRI EURO SOVEREIGN BONDS Action N(D) share: Maximum fee rate of 0.50% including tax.

The SICAV has paid the following fees calculated on the net assets excluding UCIs managed by Natixis Global Asset Management:
- Under the deposit agreement: application of a fee schedule since 1 January 2008.
- Under the delegation agreement.

Since 1 January 2008, Natixis Asset Management has received a variable fee equal to the difference between the following pricing expressed as a percentage inclusive of tax of the management fees mentioned in the prospectus and the custodian fee.
Retrocessions on management fees receivable are taken into consideration every time the net asset value is calculated. The amount provisioned is equal to the share of the retrocession fees accrued over the period in question.

Swing pricing

The Management Company has had a swing pricing system in place for the net asset value with a trigger threshold since 10 October 2016. This information is available to holders in the Fund’s prospectus, available at the Management Company’s registered office and on its website.
The health crisis resulted in severe volatility on the financial markets in the last few days of the last financial year and into the new financial year; liquidity has diminished sharply and volatility has surged considerably. In accordance with our swing pricing policy and in order to protect the Ostrum Sovereign Euro unitholders, we have been forced to adjust both our trigger thresholds and the margins on net asset values. This could be seen as volatility in net asset values; but it only appears that way, because an investor that remained invested over the period would not be affected at all. Indeed, these changes in net asset value apply only on the day when strong movements of liabilities impact the SICAV.

Allocation of distributable income

Definition of distributable income

Distributable income consists of:

Income:

The net income for the financial year is equal to the interest, arrears, premiums and bonuses, dividends, directors’ fees and all other income generated by the securities held in the portfolio, plus income generated by temporary cash holdings, less management fees and borrowing costs.
It is increased by retained earnings and increased or reduced by the balance of the accrual account.

Gains and losses:

The gains realised, net of fees, less the losses realised, net of fees, recorded in the financial year, plus the net gains of the same type recognised in previous years that have not been distributed or accumulated, plus or minus the balance of the profit/loss equalisation account.

Allocation of distributable income:

Share(s)	***Allocation of net income***	***Allocation of net realised profits or losses***
OSTRUM SOUVERAINS EURO R(D) share	Distribution and/or carried forward by decision of the SICAV	Accumulation and/or Distribution, by decision of the SICAV
OSTRUM SRI EURO SOVEREIGN BONDS I(C) share	Accumulation	Accumulation
OSTRUM SRI EURO SOVEREIGN BONDS N share	Accumulation	Accumulation
OSTRUM SRI EURO SOVEREIGN BONDS R share	Accumulation	Accumulation
OSTRUM SRI EURO SOVEREIGN BONDS SN(C) share	Accumulation	Accumulation
OSTRUM SRI EURO SOVEREIGN BONDS UNICREDIT share	Accumulation	Accumulation

2. CHANGE IN NET ASSETS AT 31/03/2023 IN EUR

	31/03/2023	31/03/2022
NET ASSETS AT THE START OF THE FINANCIAL YEAR	**272,273,581.11**	**471,932,432.10**
Subscriptions (including subscription fees accruing to the UCI)	192,467,480.36	89,079,856.47
Redemptions (less redemption fees accruing to the UCI)	-87,842,665.00	-267,053,175.01
Gains realised on deposits and financial instruments	6,261,108.41	9,403,123.46
Losses realised on deposits and financial instruments	-24,769,918.19	-9,709,427.99
Gains realised on forward financial instruments	14,278,368.28	5,536,993.20
Losses realised on forward financial instruments	-13,869,408.65	-5,697,326.11
Transaction fees	-237,163.38	-225,495.07
Exchange rate differences	0.00	0.00
Changes in the valuation difference for deposits and financial instruments	-16,370,445.21	-22,245,191.49
Valuation difference, financial year N	*-28,034,584.98*	*-11,664,139.77*
Valuation difference, financial year N-1	*11,664,139.77*	*-10,581,051.72*
Changes in the valuation difference for forward financial instruments	-956,080.00	44,950.00
Valuation difference, financial year N	*-932,090.00*	*23,990.00*
Valuation difference, financial year N-1	*-23,990.00*	*20,960.00*
Dividends paid in the previous financial year on net gains and losses	0.00	0.00
Dividends paid in the previous financial year on income	-35,444.16	-110,141.87
Net income for the financial year before accruals	2,675,305.02	1,317,033.42
Interim dividend(s) paid during the financial year on net gains and losses	0.00	0.00
Interim dividend(s) paid during the financial year on income	0.00	0.00
Other items	-50.00 (**)	-50.00(*)
NET ASSETS AT THE END OF THE FINANCIAL YEAR	**343,874,668.59**	**272,273,581.11**

(*) 31/03/2022: Annual certification fee for an LEI: -€50.00.

(**) 31/03/2023: Annual certification fee for an LEI: -€50.00.

3. ADDITIONAL INFORMATION

3.1. BREAKDOWN OF FINANCIAL INSTRUMENTS BY LEGAL OR ECONOMIC TYPE

	Amount	%
ASSETS		
BONDS AND EQUIVALENT SECURITIES		
Other bonds (indexed, equity securities)	1,954,309.29	0.57
Fixed-rate bonds traded on a regulated or equivalent market	271,917,440.82	79.07
TOTAL BONDS AND EQUIVALENT SECURITIES	**273,871,750.11**	**79.64**
DEBT SECURITIES		
TOTAL DEBT SECURITIES	**0.00**	**0.00**
LIABILITIES		
SALES OF FINANCIAL INSTRUMENTS		
TOTAL SALES OF FINANCIAL INSTRUMENTS	**0.00**	**0.00**
OFF-BALANCE SHEET ITEMS		
HEDGING TRANSACTIONS		
Interest rate	101,623,190.00	29.55
TOTAL HEDGING TRANSACTIONS	**101,623,190.00**	**29.55**
OTHER TRANSACTIONS		
Interest rate	4,472,555.00	1.30
TOTAL OTHER TRANSACTIONS	**4,472,555.00**	**1.30**

3.2. BREAKDOWN OF ASSETS, LIABILITIES AND OFF-BALANCE SHEET ITEMS BY RATE TYPE

	Fixed rate	%	Variable rate	%	Adjustable rate	%	Other	%
ASSETS								
Deposits	0.00	0.00	40,667,883.22	11.83	0.00	0.00	0.00	0.00
Bonds and equivalent securities	271,917,440.82	79.07	0.00	0.00	0.00	0.00	1,954,309.29	0.57
Debt securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Temporary securities transactions	41,992,419.82	12.21	0.00	0.00	701.75	0.00	8,378,767.22	2.44
Financial accounts	0.00	0.00	0.00	0.00	0.00	0.00	9,923,934.01	2.89
LIABILITIES								
Temporary securities transactions	1,466,430.41	0.43	41,057,597.10	11.94	0.00	0.00	11,406.75	0.00
Financial accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OFF-BALANCE SHEET ITEMS								
Hedging transactions	101,623,190.00	29.55	0.00	0.00	0.00	0.00	0.00	0.00
Other transactions	4,472,555.00	1.30	0.00	0.00	0.00	0.00	0.00	0.00

3.3. BREAKDOWN OF ASSETS, LIABILITIES AND OFF-BALANCE-SHEET ITEMS BY RESIDUAL MATURITY(*)

	< 3 months	%	]3 months - 1 year]	%	]1 - 3 years]	%	]3 - 5 years]	%	> 5 years	%
ASSETS										
Deposits	40,667,883.22	11.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bonds and equivalent securities	0.00	0.00	0.00	0.00	29,975,129.61	8.72	78,977,628.96	22.97	164,918,991.54	47.96
Debt securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Temporary securities transactions	0.00	0.00	0.00	0.00	1,442,501.30	0.42	14,670,321.12	4.27	34,259,066.37	9.96
Financial accounts	9,923,934.01	2.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LIABILITIES										
Temporary securities transactions	0.00	0.00	0.00	0.00	65,026.50	0.02	895,242.89	0.26	41,575,164.87	12.09
Financial accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OFF-BALANCE SHEET ITEMS										
Hedging transactions	0.00	0.00	0.00	0.00	25,921,020.00	7.54	45,501,680.00	13.23	30,200,490.00	8.78
Other transactions	0.00	0.00	0.00	0.00	528,475.00	0.15	0.00	0.00	3,944,080.00	1.15

(*) Positions in interest rate futures are shown based on the maturity of the underlying asset.

3.4. BREAKDOWN OF ASSETS, LIABILITIES AND OFF-BALANCE SHEET ITEMS BY LISTING OR VALUATION CURRENCY (NON-EURO)

	Currency 1 DKK		Currency 2 USD		Currency 3		Currency N Other	
	Amount	%	Amount	%	Amount	%	Amount	%
ASSETS								
Deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equities and equivalent securities	225,132.72	0.07	0.00	0.00	0.00	0.00	0.00	0.00
Bonds and equivalent securities	0.00	0.00	11,406.75	0.00	0.00	0.00	0.00	0.00
Debt securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UCIs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Temporary securities transactions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Receivables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LIABILITIES								
Sales of financial instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Temporary securities transactions	225,132.72	0.07	11,406.75	0.00	0.00	0.00	0.00	0.00
Payables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OFF-BALANCE SHEET ITEMS								
Hedging transactions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other transactions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

3.5. RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE

	Type of debit/credit	31/03/2023
RECEIVABLES		
	Subscriptions receivable	24,918,788.79
	Cash collateral deposits	2,444,875.20
	Coupons and dividends in cash	52,650.00
	Collateral	553,554.71
TOTAL RECEIVABLES		**27,969,868.70**
PAYABLES		
	Deferred settlement purchases	34,292,699.96
	Redemptions payable	23,626.60
	Fixed management fees	124,084.47
	Collateral	84,190.61
	Other payables	3,428.74
TOTAL PAYABLES		**34,528,030.38**
TOTAL PAYABLES AND RECEIVABLES		**-6,558,161.68**

3.6. SHAREHOLDERS' EQUITY

3.6.1. Number of securities issued or redeemed

	Shares	Amount
OSTRUM SOUVERAINS EURO R(D) share		
Shares subscribed during the year	2,156.5136	652,758.78
Shares redeemed during the year	-23,993.0712	-7,294,417.83
Net subscriptions/redemptions	-21,836.5576	-6,641,659.05
Number of shares outstanding at the end of the financial year	39,870.0693	
OSTRUM SRI EURO SOVEREIGN BONDS N(D) share		
Shares subscribed during the year	0.00	0.00
Shares redeemed during the year	-87.3470	-92,838.51
Net subscriptions/redemptions	-87.3470	-92,838.51
Number of shares outstanding at the end of the financial year	0.00	
OSTRUM SRI EURO SOVEREIGN BONDS I(C) share		
Shares subscribed during the year	478.9104	70,805,109.04
Shares redeemed during the year	-450.3503	-68,763,831.50
Net subscriptions/redemptions	28.5601	2,041,277.54
Number of shares outstanding at the end of the financial year	1,001.4743	
OSTRUM SRI EURO SOVEREIGN BONDS N share		
Shares subscribed during the year	8,466.7081	8,342,946.41
Shares redeemed during the year	-1,207.7408	-1,172,069.71
Net subscriptions/redemptions	7,258.9673	7,170,876.70
Number of shares outstanding at the end of the financial year	16,084.6313	
OSTRUM SRI EURO SOVEREIGN BONDS R share		
Shares subscribed during the year	103,884.9437	50,248,806.23
Shares redeemed during the year	-13,485.0530	-6,608,662.66
Net subscriptions/redemptions	90,399.8907	43,640,143.57
Number of shares outstanding at the end of the financial year	189,110.0301	
OSTRUM SRI EURO SOVEREIGN BONDS SN(C) share		
Shares subscribed during the year	66,984.5833	62,417,859.90
Shares redeemed during the year	-4,170.0015	-3,910,844.79
Net subscriptions/redemptions	62,814.5818	58,507,015.11
Number of shares outstanding at the end of the financial year	90,719.6477	
OSTRUM SRI EURO SOVEREIGN BONDS UNICREDIT share		
Shares subscribed during the year	0.00	0.00
Shares redeemed during the year	0.00	0.00
Net subscriptions/redemptions	0.00	0.00
Number of shares outstanding at the end of the financial year	1.8502	

3.6.2. Subscription and/or redemption fees

	Amount
OSTRUM SOUVERAINS EURO R(D) share	
Total subscription and/or redemption fees accrued	0.00
Subscription fees accrued	0.00
Redemption fees accrued	0.00
OSTRUM SRI EURO SOVEREIGN BONDS N(D) share	
Total subscription and/or redemption fees accrued	0.00
Subscription fees accrued	0.00
Redemption fees accrued	0.00
OSTRUM SRI EURO SOVEREIGN BONDS I(C) share	
Total subscription and/or redemption fees accrued	0.00
Subscription fees accrued	0.00
Redemption fees accrued	0.00
OSTRUM SRI EURO SOVEREIGN BONDS N share	
Total subscription and/or redemption fees accrued	0.00
Subscription fees accrued	0.00
Redemption fees accrued	0.00
OSTRUM SRI EURO SOVEREIGN BONDS R share	
Total subscription and/or redemption fees accrued	0.00
Subscription fees accrued	0.00
Redemption fees accrued	0.00
OSTRUM SRI EURO SOVEREIGN BONDS SN(C) share	
Total subscription and/or redemption fees accrued	0.00
Subscription fees accrued	0.00
Redemption fees accrued	0.00
OSTRUM SRI EURO SOVEREIGN BONDS UNICREDIT share	
Total subscription and/or redemption fees accrued	0.00
Subscription fees accrued	0.00
Redemption fees accrued	0.00

3.7. MANAGEMENT FEES

	31/03/2023
OSTRUM SOUVERAINS EURO R(D) share	
Guarantee fees	0.00
Fixed management fees	97,061.36
Percentage of fixed management fees	0.70
Retrocessions of management fees	-35.37
OSTRUM SRI EURO SOVEREIGN BONDS N(D) share	
Guarantee fees	0.00
Fixed management fees	287.79
Percentage of fixed management fees	0.50
Retrocessions of management fees	0.00
OSTRUM SRI EURO SOVEREIGN BONDS I(C) share	
Guarantee fees	0.00
Fixed management fees	587,156.91
Percentage of fixed management fees	0.45
Retrocessions of management fees	-412.95
OSTRUM SRI EURO SOVEREIGN BONDS N share	
Guarantee fees	0.00
Fixed management fees	60,411.73
Percentage of fixed management fees	0.50
Retrocessions of management fees	-45.26
OSTRUM SRI EURO SOVEREIGN BONDS R share	
Guarantee fees	0.00
Fixed management fees	438,765.48
Percentage of fixed management fees	0.70
Retrocessions of management fees	-228.19
OSTRUM SRI EURO SOVEREIGN BONDS SN(C) share	
Guarantee fees	0.00
Fixed management fees	119,296.16
Percentage of fixed management fees	0.34
Retrocessions of management fees	-120.98
OSTRUM SRI EURO SOVEREIGN BONDS UNICREDIT share	
Guarantee fees	0.00
Fixed management fees	7.63
Percentage of fixed management fees	0.43
Retrocessions of management fees	-0.01

3.8. COMMITMENTS RECEIVED AND GIVEN

3.8.1. Guarantees received by the UCI:

3.8. COMMITMENTS RECEIVED AND GIVEN

None

3.8.2. Other commitments received and/or given:

None

3.9. OTHER INFORMATION

3.9.1. Current value of financial instruments acquired under securities financing transactions

	31/03/2023
Securities received under reverse repurchase agreements	0.00
Borrowed securities	0.00

3.9.2. Current value of financial instruments constituting collateral deposits

	31/03/2023
Financial instruments given as collateral and retained under their original entry	0.00
Financial instruments received as collateral and not posted in the balance sheet	0.00

3.9.3. Financial instruments held, issued and/or managed by the Group

	ISIN code	Denomination	31/03/2023
Equities			0.00
Bonds			0.00
Negotiable debt securities			0.00
UCIs			18,132,808.42
	LU1117699071	OSTRUM EURO BDS OPP 12M SI A EUR CAP	1,943,200.00
	LU0935222652	OSTRUM EURO INFLATION IA 4D	4,845,999.87
	FR0010208421	OSTRUM SRI EURO BONDS 1-3 I	7,765,598.93
	FR0007477625	OSTRUM SUSTAINABLE EURO SOVEREIGN 1-3	3,578,009.62
Forward financial instruments			0.00
Total Group securities			**18,132,808.42**

3.10. ALLOCATION OF DISTRIBUTABLE INCOME

Allocation of the portion of distributable sums relating to income

	31/03/2023	31/03/2022
Amounts still to be allocated		
Retained earnings	470.51	556.57
Income	3,641,396.19	1,391,698.42
Interim dividends paid on income for the financial year	0.00	0.00
Total	**3,641,866.70**	**1,392,254.99**

	31/03/2023	31/03/2022
OSTRUM SOUVERAINS EURO R(D) share		
Allocation		
Distribution	98,080.37	48,748.24
Retained earnings for the financial year	103.56	472.27
Accumulation	0.00	0.00
Total	**98,183.93**	**49,220.51**
Information on units with distribution rights		
Number of units	39,870.0693	61,706.6269
Distribution per unit	2.46	0.79
Tax credit		
Tax credit relating to the distribution of income	**0.00**	**0.00**

	31/03/2023	31/03/2022
OSTRUM SRI EURO SOVEREIGN BONDS N(D) share		
Allocation		
Distribution	0.00	47.17
Retained earnings for the financial year	0.59	0.59
Accumulation	0.00	0.00
Total	**0.59**	**47.76**
Information on units with distribution rights		
Number of units	0.00	87.3470
Distribution per unit	0.00	0.54
Tax credit		
Tax credit relating to the distribution of income	**0.00**	**0.00**

	31/03/2023	31/03/2022
OSTRUM SRI EURO SOVEREIGN BONDS I(C) share		
Allocation		
Distribution	0.00	0.00
Retained earnings for the financial year	0.00	0.00
Accumulation	1,607,780.04	999,956.58
Total	**1,607,780.04**	**999,956.58**

	31/03/2023	31/03/2022
OSTRUM SRI EURO SOVEREIGN BONDS N share		
Allocation		
Distribution	0.00	0.00
Retained earnings for the financial year	0.00	0.00
Accumulation	158,382.00	42,114.95
Total	**158,382.00**	**42,114.95**

	31/03/2023	31/03/2022
OSTRUM SRI EURO SOVEREIGN BONDS R share		
Allocation		
Distribution	0.00	0.00
Retained earnings for the financial year	0.00	0.00
Accumulation	757,936.95	126,771.87
Total	**757,936.95**	**126,771.87**

	31/03/2023	31/03/2022
OSTRUM SRI EURO SOVEREIGN BONDS SN(C) share		
Allocation		
Distribution	0.00	0.00
Retained earnings for the financial year	0.00	0.00
Accumulation	1,019,564.47	174,134.35
Total	**1,019,564.47**	**174,134.35**

	31/03/2023	31/03/2022
OSTRUM SRI EURO SOVEREIGN BONDS UNICREDIT share		
Allocation		
Distribution	0.00	0.00
Retained earnings for the financial year	0.00	0.00
Accumulation	18.72	8.97
Total	**18.72**	**8.97**

Allocation of the portion of distributable sums relating to net gains and losses

	31/03/2023	31/03/2022
Amounts still to be allocated		
Undistributed prior net gains and losses	0.00	0.00
Net gains and losses for the financial year	-26,083,557.63	-867,441.04
Interim dividends paid on net gains and losses for the financial year	0.00	0.00
Total	**-26,083,557.63**	**-867,441.04**

	31/03/2023	31/03/2022
OSTRUM SOUVERAINS EURO R(D) share		
Allocation		
Distribution	0.00	0.00
Undistributed net gains and losses	0.00	0.00
Accumulation	-873,593.51	-61,824.01
Total	**-873,593.51**	**-61,824.01**

	31/03/2023	31/03/2022
OSTRUM SRI EURO SOVEREIGN BONDS N(D) share		
Allocation		
Distribution	0.00	0.00
Undistributed net gains and losses	0.00	0.00
Accumulation	0.00	-702.72
Total	**0.00**	**-702.72**

	31/03/2023	31/03/2022
OSTRUM SRI EURO SOVEREIGN BONDS I(C) share		
Allocation		
Distribution	0.00	0.00
Undistributed net gains and losses	0.00	0.00
Accumulation	-10,990,561.92	-523,616.72
Total	**-10,990,561.92**	**-523,616.72**

	31/03/2023	31/03/2022
OSTRUM SRI EURO SOVEREIGN BONDS N share		
Allocation		
Distribution	0.00	0.00
Undistributed net gains and losses	0.00	0.00
Accumulation	-1,136,012.99	-28,765.65
Total	**-1,136,012.99**	**-28,765.65**

	31/03/2023	31/03/2022
OSTRUM SRI EURO SOVEREIGN BONDS R share		
Allocation		
Distribution	0.00	0.00
Undistributed net gains and losses	0.00	0.00
Accumulation	-6,770,763.31	-162,847.97
Total	**-6,770,763.31**	**-162,847.97**

	31/03/2023	31/03/2022
OSTRUM SRI EURO SOVEREIGN BONDS SN(C) share		
Allocation		
Distribution	0.00	0.00
Undistributed net gains and losses	0.00	0.00
Accumulation	-6,312,495.91	-89,678.09
Total	**-6,312,495.91**	**-89,678.09**

	31/03/2023	31/03/2022
OSTRUM SRI EURO SOVEREIGN BONDS UNICREDIT share		
Allocation		
Distribution	0.00	0.00
Undistributed net gains and losses	0.00	0.00
Accumulation	-129.99	-5.88
Total	**-129.99**	**-5.88**

3.11. TABLE OF RESULTS AND OTHER SIGNIFICANT ITEMS OVER THE LAST FIVE FINANCIAL YEARS

	29/03/2019	31/03/2020	31/03/2021	31/03/2022	31/03/2023
Total net assets in EUR	**759,697,358.37**	**651,248,140.51**	**471,932,432.10**	**272,273,581.11**	**343,874,668.59**
OSTRUM SOUVERAINS EURO R(D) share in EUR					
Net assets	42,385,000.18	45,646,309.48	24,230,438.14	20,348,024.17	11,494,232.08
Number of securities	124,586.4792	130,875.8100	68,209.7022	61,706.6269	39,870.0693
Net asset value per unit	340.20	348.77	355.23	329.75	288.29
Accumulation per unit from net gains/losses	-3.08	18.14	8.23	-1.00	-21.91
Distribution per unit from income	3.52	2.72	1.68	0.79	2.46
Tax credit per unit	0.00	0.00	0.00	0.00	0.00
OSTRUM SRI EURO SOVEREIGN BONDS N(D) share in EUR					
Net assets	587,052.96	14,311.62	0.46	105,006.72	0.00
Number of securities	576.1734	13.6994	0.0004	87.3470	0.00
Net asset value per unit	1,018.88	1,044.68	1,150.00	1,202.17	0.00
Accumulation per unit from net gains/losses	-9.14	54.30	-100.00	-8.04	0.00
Distribution per unit from income	12.54	10.27	50.00	0.54	0.00
Tax credit per unit	0.00	0.00	0.00	0.00	0.00
OSTRUM SRI EURO SOVEREIGN BONDS SN(D) share in EUR					
Net assets	93,840,552.60	83,678,116.59	0.00	0.00	0.00
Number of securities	93,497.1509	81,190.5676	0.00	0.00	0.00
Net asset value per unit	1,003.67	1,030.63	0.00	0.00	0.00
Accumulation per unit from net gains/losses	-9.10	53.87	0.00	0.00	0.00
Distribution per unit from income	13.82	0.00	4.74	0.00	0.00
Tax credit per unit	0.00	0.00	0.00	0.00	0.00
Retained earnings per unit on income	2.31	1.43	0.00	0.00	0.00

3.11. TABLE OF RESULTS AND OTHER SIGNIFICANT ITEMS OVER THE LAST FIVE FINANCIAL YEARS

	29/03/2019	31/03/2020	31/03/2021	31/03/2022	31/03/2023
OSTRUM SRI EURO SOVEREIGN BONDS I(C) share in EUR					
Net assets	338,780,885.70	178,596,251.41	183,501,707.18	160,233,820.79	144,930,043.09
Number of securities	2,054.2421	1,043.1800	1,041.8205	972.9142	1,001.4743
Net asset value per unit	164,917.70	171,203.67	176,135.62	164,694.70	144,716.68
Accumulation per unit from net gains/losses	-1,478.46	8,890.77	4,078.66	-538.19	-10,974.38
Accumulation per unit from income	2,100.68	1,759.72	1,615.34	1,027.79	1,605.41
OSTRUM SRI EURO SOVEREIGN BONDS N share in EUR					
Net assets	8,317,657.32	9,157,849.72	13,130,130.51	9,356,684.84	14,976,382.45
Number of securities	7,823.4694	8,301.7648	11,574.6014	8,825.6640	16,084.6313
Net asset value per unit	1,063.16	1,103.12	1,134.39	1,060.16	931.09
Accumulation per unit from net gains/losses	-9.53	57.30	26.27	-3.25	-70.62
Accumulation per unit from income	13.02	10.78	9.89	4.77	9.84
OSTRUM SRI EURO SOVEREIGN BONDS R share in EUR					
Net assets	189,325,560.41	200,153,100.50	217,758,749.24	53,101,296.10	89,170,223.12
Number of securities	348,840.2989	356,152.6905	377,545.6277	98,710.1394	189,110.0301
Net asset value per unit	542.72	561.98	576.77	537.95	471.52
Accumulation per unit from net gains/losses	-4.87	29.21	13.36	-1.64	-35.80
Accumulation per unit from income	5.59	4.36	3.88	1.28	4.00
OSTRUM SRI EURO SOVEREIGN BONDS SN(C) share in EUR					
Net assets	86,423,009.55	133,986,386.47	33,305,656.33	29,126,790.04	83,302,066.58
Number of securities	82,962.3592	123,786.9186	29,862.7710	27,905.0659	90,719.6477
Net asset value per unit	1,041.71	1,082.39	1,115.29	1,043.78	918.23
Accumulation per unit from net gains/losses	-9.33	56.18	25.81	-3.21	-69.58
Accumulation per unit from income	14.16	12.10	11.62	6.24	11.23

3.11. TABLE OF RESULTS AND OTHER SIGNIFICANT ITEMS OVER THE LAST FIVE FINANCIAL YEARS

	29/03/2019	31/03/2020	31/03/2021	31/03/2022	31/03/2023
OSTRUM SRI EURO SOVEREIGN BONDS UNICREDIT share in EUR					
Net assets	37,639.65	15,814.72	5,750.24	1,958.45	1,721.27
Number of securities	35.5122	14.3732	5.0792	1.8502	1.8502
Net asset value per unit	1,059.90	1,100.29	1,132.11	1,058.50	930.31
Accumulation per unit from net gains/losses	-9.50	57.15	26.27	-3.17	-70.25
Accumulation per unit from income	13.48	11.36	10.56	4.84	10.11

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS IN EUR

Name of security	Currency	Quantity (number or nominal value)	Current value	% of net assets
Deposits				
Cash collat. p/e	EUR	40,589,579.61	40,667,883.22	11.83
TOTAL Deposits			**40,667,883.22**	**11.83**
Bonds and equivalent securities				
Bonds and equivalent securities traded on a regulated or equivalent market				
GERMANY				
GERMANY 0.1% 15/04/26 IND	EUR	1,600,000	1,942,902.54	0.56
GERMANY 0.5% 15/02/25	EUR	500,000	480,833.77	0.14
GERMANY 2.5% 04/07/2044	EUR	200,000	207,381.42	0.06
BUNDESREPUBLIK DEUTSCHLAND 0.0% 15/05/36	EUR	200,000	146,414.00	0.05
BUNDESREPUBLIK DEUTSCHLAND 0.0% 15/08/31	EUR	200,000	166,438.00	0.05
BUNDESREPUBLIK DEUTSCHLAND 0.0% 15/08/50	EUR	1,660,000	899,570.60	0.26
BUNDESREPUBLIK DEUTSCHLAND 0.0% 15/08/52	EUR	11,100,000	5,714,613.00	1.66
BUNDESREPUBLIK DEUTSCHLAND 1.8% 15/08/53	EUR	7,900,000	7,028,796.66	2.04
BUNDESSCHATZANWEISUNGEN 2.5% 13/03/25	EUR	10,900,000	10,903,313.22	3.17
BUNDSOBLIGATION 1.3% 15/10/27	EUR	7,600,000	7,356,278.41	2.14
DBR 0 08/15/30	EUR	500,001	425,665.85	0.12
DBR 1 05/15/38	EUR	6,300,000	5,217,628.93	1.52
KFW 0 09/15/28	EUR	11,000,000	9,440,200.00	2.75
KREDITANSTALT FUER WIEDERAUFBAU KFW 3.125% 07/06/30	EUR	4,200,000	4,287,495.78	1.25
TOTAL GERMANY			**54,217,532.18**	**15.77**
AUSTRIA				
AUST GOVE BON 3.8% 26/01/62	EUR	480,000	566,927.74	0.16
AUST GOVE BON 4.15% 15/03/37	EUR	850,000	953,596.10	0.28
AUSTRIA GOVERNMENT BOND 0.0% 20/02/31	EUR	3,100,000	2,481,302.00	0.73
AUSTRIA GOVERNMENT BOND 0.0% 20/10/40	EUR	1,000,000	586,200.00	0.17
AUSTRIA GOVERNMENT BOND 0.85% 30/06/20	EUR	300,000	130,774.19	0.03
AUSTRIA GOVERNMENT BOND 2.1% 20/09/17	EUR	210,000	158,885.31	0.05
RAGB 0 3/4 03/20/51	EUR	230,000	133,569.60	0.04
TOTAL AUSTRIA			**5,011,254.94**	**1.46**
BELGIUM				
BELGIUM 4.25% 03/41	EUR	220,000	248,866.83	0.07
BELGIUM 2.15% 22/06/66	EUR	350,000	270,821.80	0.08
BELGIUM GOVERNMENT BOND 1.25% 22/04/33	EUR	1,046,242.89	911,082.50	0.26
BELGIUM GOVERNMENT BOND 1.4% 22/06/53	EUR	1,200,000	778,403.84	0.23
BELGIUM GOVERNMENT BOND 2.25% 22/06/57	EUR	600,000	482,700.08	0.14
BELGIUM GOVERNMENT BOND 2.75% 22/04/39	EUR	1,800,000	1,717,707.21	0.50
BGB 0.35 06/22/32	EUR	5,700,000	4,552,034.06	1.32
EUROPEAN UNION 0.0% 04/10/28	EUR	8,000,000	6,835,120.00	1.99
EUROPEAN UNION 1.625% 04/12/29	EUR	5,000,000	4,637,134.93	1.35
TOTAL BELGIUM			**20,433,871.25**	**5.94**
SPAIN				
SPAIN 0% 23/01/01-30/07/29	EUR	13,000,000	10,743,720.00	3.13
SPAIN 4.70% 30/07/41	EUR	750,000	874,060.68	0.25
SECRETARA GENERAL DEL TESORO 1.2% 31/10/40	EUR	600,000	412,359.53	0.12
SPAI GOVE BON 3.45% 30/07/66	EUR	600,000	566,286.66	0.16
SPAIN GOVERNMENT BOND 0.0% 31/01/27	EUR	15,700,000	14,072,852.00	4.09

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS IN EUR

Name of security	Currency	Quantity (number or nominal value)	Current value	% of net assets
SPAIN GOVERNMENT BOND 0.8% 30/07/27	EUR	3,400,000	3,131,623.10	0.91
SPAIN GOVERNMENT BOND 0.85% 30/07/37	EUR	4,200,000	2,952,916.44	0.86
SPAIN GOVERNMENT BOND 1.0% 30/07/42	EUR	542,000	347,267.27	0.10
SPAIN GOVERNMENT BOND 1.45% 31/10/71	EUR	220,000	108,657.46	0.03
SPAIN GOVERNMENT BOND 3.15% 30/04/33	EUR	7,100,000	7,037,169.86	2.05
TOTAL SPAIN			**40,246,913.00**	**11.70**
FINLAND				
FINLAND GOVERNMENT BOND 0.125% 15/09/31	EUR	3,500,000	2,799,784.25	0.81
FINLAND GOVERNMENT BOND 0.25% 15/09/40	EUR	800,000	500,141.37	0.15
TOTAL FINLAND			**3,299,925.62**	**0.96**
FRANCE				
BPIFRANCE 0.0% 25/05/28 EMTN	EUR	3,400,000	2,918,492.00	0.84
BPIFRANCE 3.0% 10/09/26 EMTN	EUR	4,000,000	4,038,258.63	1.18
CADES 0.0% 25/02/28	EUR	4,000,000	3,462,800.00	1.01
CADES 2.875% 25/05/27 EMTN	EUR	12,000,000	12,063,223.56	3.51
FRANCE GOVERNMENT BOND OAT 0.0% 25/02/26	EUR	3,000,000	2,778,750.00	0.80
FRANCE GOVERNMENT BOND OAT 0.0% 25/05/32	EUR	1,099,999	856,690.22	0.26
FRANCE GOVERNMENT BOND OAT 0.5% 25/06/44	EUR	9,300,000	5,588,432.42	1.63
FRANCE GOVERNMENT BOND OAT 0.75% 25/02/28	EUR	4,000,000	3,655,363.29	1.06
FRANCE GOVERNMENT BOND OAT 0.75% 25/05/53	EUR	3,300,000	1,777,419.78	0.52
FRANCE GOVERNMENT BOND OAT 1.25% 25/05/38	EUR	2,600,000	2,047,456.90	0.59
FRANCE GOVERNMENT BOND OAT 1.75% 25/06/39	EUR	1,100,000	931,390.34	0.27
FRANCE GOVERNMENT BOND OAT 2.0% 25/11/32	EUR	3,400,000	3,195,127.18	0.92
FRANCE GOVERNMENT BOND OAT 5.75% 25/10/32	EUR	2,600,000	3,307,883.84	0.97
FRAN GOVE BON 1.25% 25/05/36	EUR	5,000,000	4,086,267.12	1.19
FRAN GOVE BON 1.5% 25/05/31	EUR	4,000,000	3,714,376.44	1.08
REPUBLIQUE FRANCAISE 2.5% 25/05/2030	EUR	4,000,000	4,048,307.40	1.18
TOTAL FRANCE			**58,470,239.12**	**17.01**
GREECE				
HELLENIC REPUBLIC GOVERNMENT BOND 4.25% 15/06/33	EUR	414,000	419,282.92	0.12
TOTAL GREECE			**419,282.92**	**0.12**
IRELAND				
IRELAND GOVERNMENT BOND 1.35% 18/03/31	EUR	4,300,000	3,906,021.31	1.14
IRELAND GOVERNMENT BOND 3.0% 18/10/43	EUR	1,400,000	1,387,525.62	0.40
TOTAL IRELAND			**5,293,546.93**	**1.54**
ITALY				
BTPS 4 3/4 09/01/44	EUR	1,299,000	1,369,728.71	0.40
ITALY 2.5% 01/12/24	EUR	5,000,000	4,989,532.42	1.45
ITALY 5% 09-010940	EUR	2,800,000	3,034,106.78	0.88
ITALY 5% 08/34	EUR	1,850,000	2,001,022.04	0.58
ITALY BUONI POLIENNALI DEL TESORO 0.0% 01/04/26	EUR	11,000,000	9,955,660.00	2.90
ITALY BUONI POLIENNALI DEL TESORO 0.25% 15/03/28	EUR	2,900,000	2,470,237.02	0.72
ITALY BUONI POLIENNALI DEL TESORO 0.9% 01/04/31	EUR	11,700,000	9,348,461.11	2.72
ITALY BUONI POLIENNALI DEL TESORO 0.95% 15/09/27	EUR	1,000,000	897,896.30	0.26
ITALY BUONI POLIENNALI DEL TESORO 1.45% 01/03/36	EUR	500,000	366,594.84	0.11
ITALY BUONI POLIENNALI DEL TESORO 2.15% 01/03/72	EUR	500,000	292,963.21	0.08
ITALY BUONI POLIENNALI DEL TESORO 2.15% 01/09/52	EUR	5,200,000	3,363,237.35	0.98
ITALY BUONI POLIENNALI DEL TESORO 2.45% 01/09/50	EUR	30,000	21,145.01	0.00

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS IN EUR

Name of security	Currency	Quantity (number or nominal value)	Current value	% of net assets
ITALY BUONI POLIENNALI DEL TESORO 2.65% 01/12/27	EUR	11,200,000	10,893,763.69	3.17
ITALY BUONI POLIENNALI DEL TESORO 2.8% 15/06/29	EUR	4,600,000	4,410,349.08	1.29
ITALY BUONI POLIENNALI DEL TESORO 2.95% 01/09/38	EUR	1,200,000	1,025,262.65	0.30
ITALY BUONI POLIENNALI DEL TESORO 3.4% 28/03/25	EUR	5,000,000	5,008,233.70	1.45
ITALY BUONI POLIENNALI DEL TESORO 4.0% 01/02/37	EUR	200,000	196,882.17	0.06
ITALY BUONI POLIENNALI DEL TESORO 4.4% 01/05/33	EUR	6,400,000	6,688,116.69	1.94
ITALY BUONI POLIENNALI DEL TESORO ZCP 15/08/24	EUR	6,000,000	5,749,440.00	1.67
TOTAL ITALY			**72,082,632.77**	**20.96**
NETHERLANDS				
NETHERLANDS GOVERNMENT 0.5% 15/01/40	EUR	3,900,000	2,745,686.55	0.80
NETHERLANDS GOVERNMENT 2.0% 15/01/54	EUR	800,000	703,271.01	0.20
NETHERLANDS 2.50% 15/01/2033	EUR	3,000,000	2,987,462.88	0.87
NETHERLANDS 4% 15/01/37	EUR	800,000	921,582.03	0.27
TOTAL NETHERLANDS			**7,358,002.47**	**2.14**
PORTUGAL				
PORTUGAL OBRIGACOES DO TESOURO OT 0.7% 15/10/27	EUR	4,500,000	4,141,527.53	1.20
PORTUGAL OBRIGACOES DO TESOURO OT 3.5% 18/06/38	EUR	1,400,000	1,419,184.22	0.41
TOTAL PORTUGAL			**5,560,711.75**	**1.61**
TOTAL Bonds and equivalent securities traded on a regulated or equivalent market			**272,393,912.95**	**79.21**
TOTAL Bonds and equivalent securities			**272,393,912.95**	**79.21**
Undertakings for collective investment				
General-purpose UCITS and AIFs intended for non-professionals, and equivalents in other countries				
FRANCE				
OSTRUM SRI EURO BONDS 1-3 I	EUR	2,530.36	7,765,598.93	2.26
OSTRUM SUSTAINABLE EURO SOVEREIGN 1-3	EUR	1,205.988	3,578,009.62	1.04
TOTAL FRANCE			**11,343,608.55**	**3.30**
LUXEMBOURG				
OSTRUM EURO BDS OPP 12M SI A EUR CAP	EUR	20,000	1,943,200.00	0.56
OSTRUM EURO INFLATION IA 4D	EUR	99,999.9974	4,845,999.87	1.41
TOTAL LUXEMBOURG			**6,789,199.87**	**1.97**
TOTAL Retail UCITS and AIFs and their equivalents in other countries intended for non-professional investors			**18,132,808.42**	**5.27**
TOTAL Undertakings for collective investment			**18,132,808.42**	**5.27**
Securities received as collateral				
Equities and equivalent securities traded on a regulated or equivalent market				
ACCOR	EUR	5,961	178,651.17	0.05
AIR FRANCE KLM	EUR	7,225	12,268.05	0.00
AIR LIQUIDE	EUR	3,271	504,388.20	0.15
ANHEUSER BUSCH INBEV SA/NV	EUR	4,809	294,935.97	0.09
ARKEMA	EUR	120	10,896.00	0.00
ASR NEDERLAND NV	EUR	5,691	209,087.34	0.06
CELLNEX TELECOM SA	EUR	324	11,586.24	0.00
DAIMLER TRUCK HOLDING AG	EUR	23,365	726,885.15	0.21
DEUTSCHE POST AG NAMEN	EUR	14,868	640,662.12	0.18
E.ON AG NOM.	EUR	9,558	109,917.00	0.04
ENAGAS SA	EUR	615	10,885.50	0.01
FERROVIAL SA	EUR	2,964	80,294.76	0.03

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS IN EUR

Name of security	Currency	Quantity (number or nominal value)	Current value	% of net assets
GETLINK SE	EUR	75,690	1,149,731.10	0.33
KONINKLIJKE AHOLD NV	EUR	19,264	606,623.36	0.18
ORANGE	EUR	18,000	197,136.00	0.05
PORSCHE A HOLDING	EUR	294	15,558.48	0.01
PUBLICIS GROUPE SA	EUR	22,221	1,595,023.38	0.46
SAP SE	EUR	396	45,959.76	0.02
SOLVAY	EUR	8,206	864,502.10	0.25
STELLANTIS NV	EUR	44,496	744,685.06	0.21
SYMRISE AG	EUR	2,584	258,916.80	0.07
TRYG A/S	DKK	11,188	225,132.72	0.07
VEOLIA ENVIRONNEMENT	EUR	13,166	373,914.40	0.11
TOTAL Equities and equivalent securities traded on a regulated or equivalent market			**8,867,640.66**	**2.58**
Bonds and equivalent securities traded on a regulated or equivalent market				
E.ETAT 4.75%04 OAT	EUR	146,388	178,677.84	0.05
ESM 0 3/4 09/05/28	EUR	61,354.85	54,979.20	0.02
EUROPEAN STABILITY MECHANISM 3.0% 15/03/28	EUR	857,952	863,931.42	0.25
EUROPEAN UNION 0.7% 06/07/51	EUR	20,223	11,024.29	0.01
EUROPEAN UNION 0.8% 04/07/25	EUR	55,127	52,899.63	0.01
FRANCE 0.5% 25/05/25	EUR	12,663	12,126.87	0.01
FRANCE GOVERNMENT BOND OAT 0.75% 25/11/28	EUR	289,052	261,479.69	0.07
FRANCE GOVERNMENT BOND OAT 1.0% 25/05/27	EUR	33,159	31,311.47	0.01
UNITED STATES TREAS INFLATION BONDS 0.125% 15/07/30	USD	11,400	11,406.75	0.00
TOTAL Bonds and equivalent securities traded on a regulated or equivalent market			**1,477,837.16**	**0.43**
TOTAL Securities received as collateral			**10,345,477.82**	**3.01**
Payables representing securities received as collateral			-10,345,477.82	-3.01
Receivables representing loaned securities				
GERMANY				
DBR 0 08/15/30	EUR	2,999,999	2,553,989.15	0.75
TOTAL GERMANY			**2,553,989.15**	**0.75**
FRANCE				
FRANCE GOVERNMENT BOND OAT 1.75% 25/06/39	EUR	8,500,000	7,197,107.19	2.09
TOTAL FRANCE			**7,197,107.19**	**2.09**
TOTAL Receivables representing loaned securities			**9,751,096.34**	**2.84**
Indemnities on loaned securities			701.75	0.00
Securities transferred under repurchase agreements				
GERMANY				
GERMANY 0.1% 15/04/26 IND	EUR	6,900,000	8,378,767.22	2.44
GERMANY 0.5% 15/02/25	EUR	1,500,000	1,442,501.30	0.42
BUNDESREPUBLIK DEUTSCHLAND 0.0% 15/08/31	EUR	4,000,000	3,328,760.00	0.96
BUNDSOBLIGATION 1.3% 15/10/27	EUR	6,500,000	6,291,553.90	1.83
TOTAL GERMANY			**19,441,582.42**	**5.65**
BELGIUM				
BELGIUM GOVERNMENT BOND 1.25% 22/04/33	EUR	4,253,757.11	3,704,229.38	1.08
TOTAL BELGIUM			**3,704,229.38**	**1.08**
FRANCE				
BPIFRANCE 0.0% 25/05/28 EMTN	EUR	8,700,000	7,467,906.00	2.17
FRANCE GOVERNMENT BOND OAT 0.0% 25/05/32	EUR	1,000,001	778,810.78	0.23

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS IN EUR

Name of security	Currency	Quantity (number or nominal value)	Current value	% of net assets
TOTAL FRANCE			**8,246,716.78**	**2.40**
GREECE				
HELLENIC REPUBLIC GOVERNMENT BOND 4.25% 15/06/33	EUR	5,986,000	6,062,385.46	1.76
TOTAL GREECE			**6,062,385.46**	**1.76**
ITALY				
BTPS 4 3/4 09/01/44	EUR	201,000	211,944.17	0.06
ITALY BUONI POLIENNALI DEL TESORO 4.0% 01/02/37	EUR	3,000,000	2,953,232.49	0.86
TOTAL ITALY			**3,165,176.66**	**0.92**
TOTAL Securities transferred under repurchase agreements			**40,620,090.70**	**11.81**
Payables representing securities transferred under repurchase agreements			-40,959,646.58	-11.91
Indemnities on securities transferred under repurchase agreements			-97,950.52	-0.03
Forward financial instruments				
Futures commitments				
Futures commitments on a regulated or equivalent market				
EURO BOBL 0623	EUR	-386	-511,080.00	-0.15
EURO SCHATZ 0623	EUR	5	-1,300.00	0.00
FGBL BUND 10A 0623	EUR	-196	-237,580.00	-0.07
SHORT EUR-BTP 0623	EUR	-246	340.00	0.00
XEUR FBTP BTP 0623	EUR	-31	35,710.00	0.01
XEUR FGBX BUX 0623	EUR	28	-218,180.00	-0.06
TOTAL Futures commitments on a regulated or equivalent market			**-932,090.00**	**-0.27**
TOTAL Futures commitments			**-932,090.00**	**-0.27**
TOTAL Forward financial instruments			**-932,090.00**	**-0.27**
Margin calls				
CACEIS MARGIN CALL	EUR	932,089.98	932,089.98	0.27
TOTAL Margin calls			**932,089.98**	**0.27**
Receivables			**27,969,868.70**	**8.13**
Payables			**-34,528,030.38**	**-10.04**
Financial accounts			**9,923,934.01**	**2.89**
Net assets			**343,874,668.59**	**100.00**

OSTRUM SOUVERAINS EURO R(D) share	**EUR**	**39,870.0693**	**288.29**
OSTRUM SRI EURO SOVEREIGN BONDS N share	**EUR**	**16,084.6313**	**931.09**
OSTRUM SRI EURO SOVEREIGN BONDS UNICREDIT share	**EUR**	**1.8502**	**930.31**
OSTRUM SRI EURO SOVEREIGN BONDS R share	**EUR**	**189,110.0301**	**471.52**
OSTRUM SRI EURO SOVEREIGN BONDS SN(C) share	**EUR**	**90,719.6477**	**918.23**
OSTRUM SRI EURO SOVEREIGN BONDS I(C) share	**EUR**	**1,001.4743**	**144,716.68**

Additional information about the coupon tax system

Coupon breakdown: OSTRUM SOUVERAINS EURO R(D) share

	TOTAL NET	CURRENCY	NET PER UNIT	CURRENCY
Income subject to compulsory non-definitive withholding tax	98,080.37	EUR	2.46	EUR
Shares giving entitlement to reductions and subject to compulsory non-definitive withholding tax	0.00		0.00	
Other income not giving entitlement to reductions and subject to compulsory non-definitive withholding tax	0.00		0.00	
Non-reportable and non-taxable income	0.00		0.00	
Amount distributed on capital gains and losses	0.00		0.00	
TOTAL	98,080.37	EUR	2.46	EUR

SECTION 2 – CORPORATE GOVERNANCE REPORT PREPARED BY THE BOARD OF DIRECTORS AND PRESENTED TO THE ANNUAL GENERAL MEETING DATED 17 JULY 2023

I – REMUNERATION PAID BY THE SICAV

NONE

II – INFORMATION ON CORPORATE OFFICERS

- List of offices and duties

In accordance with the provisions of Article L. 225-37-4 of the French Commercial Code, we bring to your attention the list of offices and duties exercised by the corporate officers in any other companies:

- Mr Emmanuel Chef:

Companies		Legal form	Nature of the mandate
1	LIVRET BOURSE INVESTISSEMENTS	Open-ended investment company with variable capital (SICAV)	Chairman and Chief Executive Officer of the SICAV
2	OSTRUM SRI CASH PLUS	Open-ended investment company with variable capital (SICAV)	Chairman of the Board of Directors of the SICAV
3	Natixis International Funds (LUX) I	Open-ended investment company with variable capital in Luxembourg (SICAV Lux)	Director
4	Natixis Fund General Partner Sarl	Limited liability company in Luxembourg (SARL Lux)	Manager
5	NIM UK (Funds) Ltd	Management Company (UK)	Director

- **Mr Alexandre Caminade**: **None**
- **Mr Hector Henriques: None**
- **Ms Nathalie Pistre:**

Companies		Legal form	Nature of the mandate
1	OSTRUM SRI CASH PLUS	Open-ended investment company with variable capital (SICAV)	Permanent representative of OSTRUM ASSET MANAGEMENT

- **Ms Aline Flamain**

Companies		Legal form	Nature of the mandate
1	LE LIVRET PORTEFEUILLE	Open-ended investment company with variable capital (SICAV)	Permanent representative of NATIXIS INVESTMENT MANAGERS INTERNATIONAL, Director

III – AGREEMENTS REFERRED TO IN ARTICLE L. 225-38 OF THE FRENCH COMMERCIAL CODE

We inform you that no agreements referred to in Article L. 225-38 of the French Commercial Code were concluded during the past financial year.

The Board of Directors maintains the list of the SICAV's agreements, which is available on request.

IV – PROCEDURES FOR GENERAL MANAGEMENT

In accordance with the provisions of Articles L. 225-51.1 and R. 225-102 of the French Commercial Code, we confirm that the Board of Directors chose the procedure for general management at its meeting on 14 May 2002 and opted to combine the functions of Chairman and Chief Executive Officer.

During its meeting held on 18 October 2018, the Board of Directors duly noted the resignation of Mr Olivier de Larouzière from his duties as Chief Executive Officer of the SICAV.
Upon learning of this resignation, the Board of Directors decided to change the general management method by resolving that general management of the SICAV will now be performed under the responsibility of the Chairman of the Board of Directors.

Consequently, during this same meeting, the Board of Directors decided to appoint Mr Ibrahima Kobar, Chairman of the Board of Directors, to serve as Chief Executive Officer of the SICAV to replace Mr Olivier de Larouzière, who resigned. Mr Ibrahima Kobar now serves as Chairman and Chief Executive Officer.

Mr Ibrahima Kobar's term of office as Chairman of the Board of Directors and Chief Executive office will expire at the earlier of the following two terms:
- the end of his directorship at the close of the Ordinary General Meeting called to approve the financial statements for the financial year ended on the last Paris stock exchange trading day of March 2024; or
- the expiry of his employment contract within one of the entities of the Natixis Investment Managers group.

During its meeting held on 7 May 2021, when the Chairman resigned from his term of office, the Board of Directors opted to separate the functions of Chairman of the Board of Directors and Chief Executive Officer.

At this same meeting, the Board of Directors appointed Mr Emmanuel Chef as Chairman of the Board of Directors to replace Mr Ibrahima Kobar, who resigned at the end of this meeting, for the term of his office as director, i.e. until the end of the Annual Ordinary General Meeting called to approve the accounts for the financial year ending in March 2024.

The Board also appointed Mr Alexandre Caminade as Chief Executive Officer.

His duties will end upon one of the following events, whichever occurs first:
- the end of his term of office as the Chairman of the Board of Directors; or
- the expiry of his contract of employment within one of the entities in the group of the SICAV's delegated Management Company;

No restrictions were placed on his powers by the Board of Directors.

We hereby inform you that these changes will take effect at the end of this General Meeting.

V – COMPOSITION OF THE BOARD OF DIRECTORS

Full name	Position	Expiry of term of office (at the end of the AGM called to approve the financial statements for the period ending:)
Emmanuel Chef	Chairman	March 2024
Alexandre Caminade	Chief Executive Officer	March 2024
Natixis Investment Managers International, represented by Mr Hector Henriques	Director	March 2024
OSTRUM Asset Management represented by Ms Nathalie Pistre	Director	March 2024
Aline Flamain	Director	March 2024
The Mazars firm	Statutory auditor	March 2024

None of the Board of Directors' or statutory auditors' terms have expired.

In accordance with legal and statutory provisions, we ask you to ratify this decision.

VI – ORGANISATION OF THE BOARD'S WORK

We hereby inform you that one Board meeting took place and undertook work in respect of the financial year ended 31 March 2023.

Board of Directors' meeting of 24 May 2023

In attendance:

- Mr Emmanuel Chef — Chairman
- Mr Alexandre Caminade — Chief Executive Officer
- NATIXIS INVESTMENT MANAGERS INTERNATIONAL — Director
  Represented by Mr Hector Henriques
- OSTRUM ASSET MANAGEMENT — Director
  Represented by Ms Nathalie Pistre
- Ms Aline Flamain — Director
- Mazars — Statutory Auditor
  Represented by Mr Yannick Atger

Also present at the meeting:

- Mr Abdelaatik Dniguer — OSTRUM ASSET MANAGEMENT
- Ms Rouaïa Bouchakour — NATIXIS INVESTMENT MANAGERS INTERNATIONAL,
  acting as secretary

The legal points discussed were as follows:

- Information on the placement of the SFDR appendix in the SICAV prospectus and annual report
- Modification of the SICAV Prospectus:
  - Proposal to implement the gates mechanism
  - Removal of transfer fees
  - Change in the presentation of fees in the prospectus
- Approval of the programme of work and fees for the statutory auditor

VII – STATUTORY PROVISIONS REGARDING THE ARRANGEMENTS FOR SHAREHOLDER ATTENDANCE AT THE GENERAL MEETING

In accordance with the SICAV's Articles of Association, "any shareholder may attend the Meetings, in person or by proxy, subject to providing proof of identity and share ownership, either in the form of such shares being entered into registered share accounts held by the SICAV or of their being registered as bearer share accounts, and on presentation of an entry card, which will be issued by the Company, provided that the shareholder has applied for it in advance, at the places cited in the notice of meeting". The deadline for completing these formalities expires two days before the date of the meeting.

A shareholder may be represented at Meetings under the conditions set out in Article L. 225-106 of the French Commercial Code.

A shareholder may also vote by correspondence under the conditions stipulated by the regulations in force.

VIII – DELEGATION(S) OF POWERS CURRENTLY IN FORCE, GRANTED BY THE GENERAL MEETING OF SHAREHOLDERS REGARDING CAPITAL INCREASES

Not applicable to SICAVs.

Appendix 3

STATUTORY AUDITOR'S REPORTS

- Statutory auditor's general report on the annual financial statements as at 31/03/2023

- Statutory auditor's special report on the agreements referred to in Article L. 225-38 of the French Commercial Code in respect of the financial year ended 31/03/2023

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OSTRUM SRI EURO SOVEREIGN BONDS SICAV

Statutory auditor’s report on the annual financial statements

Financial year ended 31 March 2023

Mazars
A limited company (société anonyme) with management and supervisory boards, providing accounting, auditing and consulting services.
Registered office: 61, rue Henri Regnault - 92400 Courbevoie,
France Capital of €8,320,000 - Nanterre Trade and Companies
Register No. 784 824 153

OSTRUM SRI EURO SOVEREIGN BONDS SICAV

43 Avenue Pierre Mendès-France
75013 Paris, France

Statutory auditor’s report on the annual financial statements

Financial year ended 31 March 2023

To the General Meeting of the OSTRUM SRI EURO SOVEREIGN BONDS SICAV,

Opinion

In execution of the assignment entrusted to us by your Board of Directors, we conducted the audit of the annual financial statements of the undertaking for collective investment OSTRUM SOUVERAINS EURO established in the form of an open-ended investment company with variable capital (SICAV) for the financial year ended 31 March 2023, as they are attached to this report.

We certify that, according to the French accounting rules and principles, the annual financial statements are accurate and consistent and give a true and fair view of the SICAV’s financial performance for the previous financial year, and of its financial position and assets at the end of the financial year.

Basis of our opinion

Audit terms of reference

We conducted our audit in accordance with the standards of professional practice applicable in France. We believe that the information that we collected is sufficient and appropriate to form a basis for our opinion.

Our responsibilities pursuant to these standards are set out in the section of this report entitled “Statutory Auditor’s responsibilities regarding the audit of the annual financial statements”.

Independence

We performed our audit assignment in accordance with the rules of independence stipulated in the French Commercial Code and the French Code of Ethics for Statutory Auditors, for the period from 1 April 2022 to the issue date of our report.

Justification of our assessments

In accordance with the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we would like to inform you that, in our professional opinion, the most significant assessments we conducted were based on the appropriateness of the accounting principles applied, in particular regarding the financial instruments held in the portfolio, and on the overall presentation of the financial statements in terms of the chart of accounts for open-ended undertakings for collective investment.

The assessments were made as part of our audit of the annual financial statements, taken as a whole, and therefore contributed to the formation of the opinion expressed above. We thus have no comments to make on any individual aspects of these annual financial statements.

Specific verifications

We also performed the specific verifications required by the relevant legal and regulatory provisions, and in accordance with professional auditing standards in France.

We have no matters to report as to the fair presentation and the consistency with the Annual Financial Statements of the information given in the Board of Directors' management report and in the other documents provided to shareholders with respect to the financial position and the Annual Financial Statements.

We certify that the information required by Article L. 225-37-4 of the French Commercial Code is contained in the section of the management report devoted to corporate governance.

Responsibilities of the senior management and the persons in charge of corporate governance with respect to the annual financial statements

It is the management's responsibility to prepare annual financial statements that give a true and fair view, in accordance with French accounting rules and principles, and to implement the internal controls that it deems necessary for the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

When preparing annual financial statements, it is the responsibility of management to assess the SICAV's ability to continue as a going concern, to present in said financial statements, where applicable, the necessary information relating to its viability as a going concern, and to apply the going concern accounting policy, unless it is planned to wind up the SICAV or to cease its trading activity.

The annual financial statements have been prepared by the Board of Directors.

Responsibilities of the Statutory Auditor regarding the audit of the annual financial statements

It is our responsibility to draft a report on the annual financial statements. Our aim is to obtain reasonable assurance that the annual financial statements, taken as a whole, are free from material misstatements. Reasonable assurance corresponds to a high level of assurance but does not guarantee that an audit performed in accordance with the accepted standards of professional practice will be able to systematically detect all material misstatements. Misstatements may arise from fraud or error and are considered material where it might reasonably be expected that, taken individually or together, they could influence the economic decisions made by users of the financial statements that are based upon such misstatements.

As specified in Article L. 823-10-1 of the French Commercial Code, our certification task is not to guarantee the viability or quality of the management of your SICAV.

In conducting an audit in accordance with the standards of professional practice applicable in France, the statutory auditor exercises their professional judgement throughout the audit. In addition:

- they identify and assess the risks of material misstatements in the annual financial statements, whether due to fraud or error, design and carry out audit procedures intended to counter these risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement due to fraud is greater than for a material misstatement due to error, because fraud may involve collusion, forgery, deliberate omissions, misrepresentations or the circumvention of internal control processes;

- they obtain an understanding of the internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls;

- they assess the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by the management, as well as the information provided in this regard in the annual financial statements;

- they assess the appropriateness of the Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the SICAV's ability to continue as a going concern. This assessment is based on the information gathered up to the date of their report, on the understanding that subsequent events or circumstances may affect the Fund’s viability as a going concern. If they conclude that significant uncertainty exists, they draw the attention of readers of the report to the information provided in the annual financial statements about this uncertainty or, if this information is not provided or is not relevant, they issue a qualified certification or a refusal to certify;

- they evaluate the overall presentation of the annual financial statements and assess whether these statements reflect the underlying transactions and events in a manner that achieves fair presentation.

The Statutory Auditor

Mazars

Drawn up in Courbevoie, France, date of electronic signature
Document authenticated and dated by electronic signature

[Signature] 2023.05.30 15:44:19 +02'00'

Jean-Luc Mendiela

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Fax: +33 (0)1 49 97 60 01
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OSTRUM SRI EURO SOVEREIGN BONDS SICAV

Statutory auditor's special report on related-party agreements

Financial year ended 31 March 2023

Mazars
A limited company (société anonyme) with management and supervisory boards,
providing accounting, auditing and consulting services.
Registered office: 61, rue Henri Regnault - 92400 Courbevoie,
France Capital of €8,320,000 - Nanterre Trade and Companies
Register No. 784 824 153

OSTRUM SRI EURO SOVEREIGN BONDS SICAV

43 Avenue Pierre Mendès-France
75013 Paris, France

Statutory auditor's special report on related-party agreements

Financial year ended 31 March 2023

In our capacity as the statutory auditor for your company, we hereby present our report on related-party agreements.

Our role is to inform you, on the basis of the information provided to us, of the characteristics and the main terms and conditions of those agreements about which we were notified or that we identified during our assignment, as well as to inform you about how they affect the company, without having to provide an opinion on their usefulness or appropriateness or identify any other such agreements. Under the terms of Article R. 225-31 of the French Commercial Code, it is your responsibility to assess the company's interest in entering into these agreements with a view to their approval.

Furthermore, it is our responsibility, where applicable, to provide you with the information stipulated by Article R. 225-31 of the French Commercial Code concerning the performance, during the past financial year, of agreements already approved by the General Meeting.

We have performed those procedures that we considered necessary in accordance with the professional guidance issued by the French national auditing body, the *Compagnie nationale des commissaires aux comptes*.

Agreements submitted for the approval of the General Meeting

We hereby inform you that we have not been advised of any agreement authorised during the past financial year to be submitted for the approval of the General Meeting pursuant to the provisions of Article L. 225-38 of the French Commercial Code.

Agreements already approved by the General Meeting

We hereby inform you that we have not been advised of any agreement already approved by the General Meeting that continued to apply during the past financial year.

The Statutory Auditor

Mazars

Signed in Courbevoie, France, date of electronic signature
Document authenticated and dated by electronic signature

[Signature] 2023.05.30 15:44:49 +02'00'

Jean-Luc Mendiela

Appendix 4

SFDR Appendix

Template for periodic disclosures 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

Product name: OSTRUM SRI EURO SOVEREIGN BONDS
Legal entity identifier: 969500T0C120332EZB79

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.

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

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
☐ Yes	☒ No
☐ It has made **sustainable investments with an environmental objective**: ___%	☒ It promoted **Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it held a proportion of 25.30% in sustainable investments.
☐ in 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 made **sustainable investments with a social objective:**____%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promoted environmental and social characteristics that are based on the following approach:

- Exclude controversial issuers through the exclusion policies of the delegated financial manager;

- Hold at least 20% in sustainable investments;

- Select the highest rated issuers according to an ESG rating with the objective to:

  - Maintain an average ESG rating for the portfolio that is better than that of the filtered initial investment universe*;

  - Maintain the carbon intensity of the portfolio below that of the initial investment universe;

  - Maintain an indicator of expenditure on health and education that is better than that of the initial investment universe.

*Filtered initial investment universe means the initial investment universe (securities issued or guaranteed by the countries of the European Economic Area (EEA), or issued by supranational agencies, whether they are fixed-rate, variable-rate or inflation-indexed securities) from which 20% of the issuers with the lowest ESG assessments within each issuer category are excluded (including the most controversial issuers according to Ostrum's exclusion policies, as well as the lowest-rated issuers) and sovereign debt.

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

For example, non-financial criteria used may include the following:

- Social: Public spending on education (% of GDP): General public spending on education (current, in capital and transfers) is expressed as a percentage of GDP. It includes spending financed by transfers from international sources to the government. Public authorities generally refer to local, regional and central authorities. (Source: World Bank)

- Governance: The proportion of seats occupied by women in national parliaments (%). Women in parliament is the percentage of parliament seats in a single or lower house held by women.

- Environment: carbon intensity

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

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

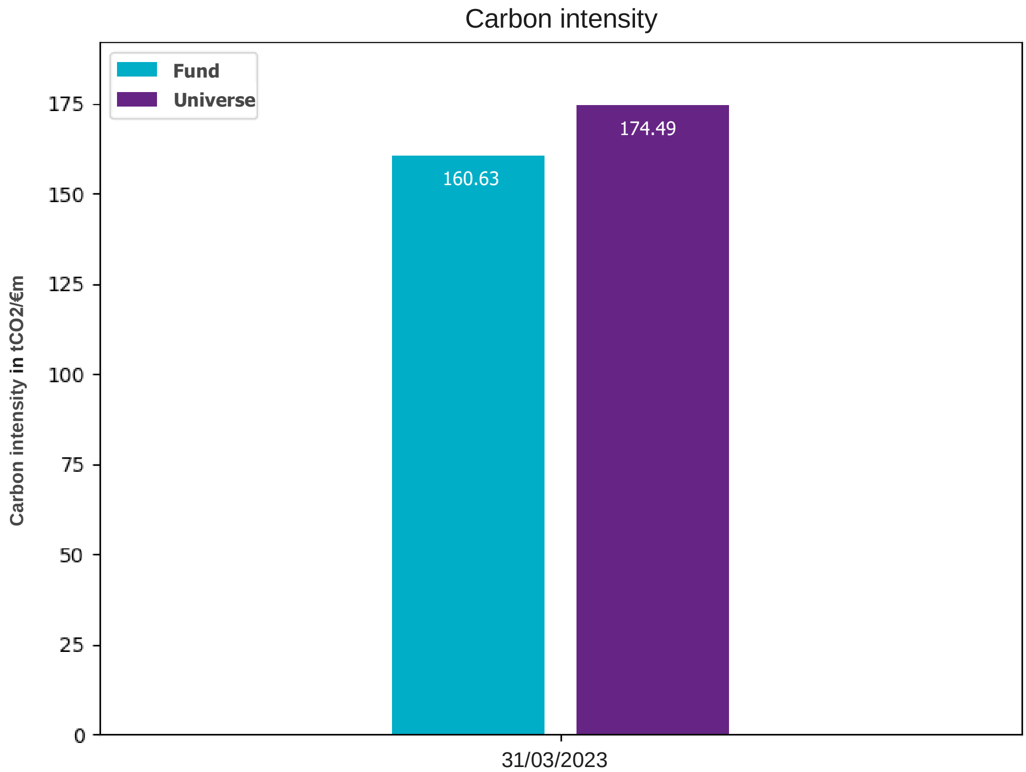
What was the performance of the sustainability indicators?

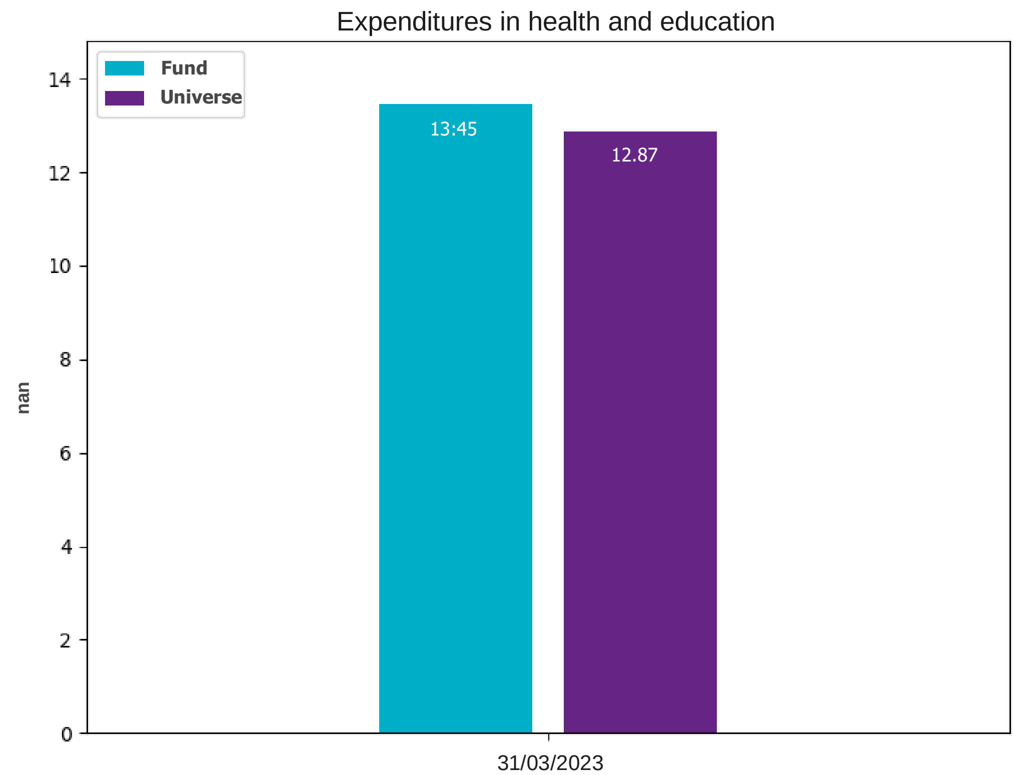
As at 31 March 2023:

- The ESG rating of the Fund (81.36) was better than that of the filtered initial investment universe (81.28)

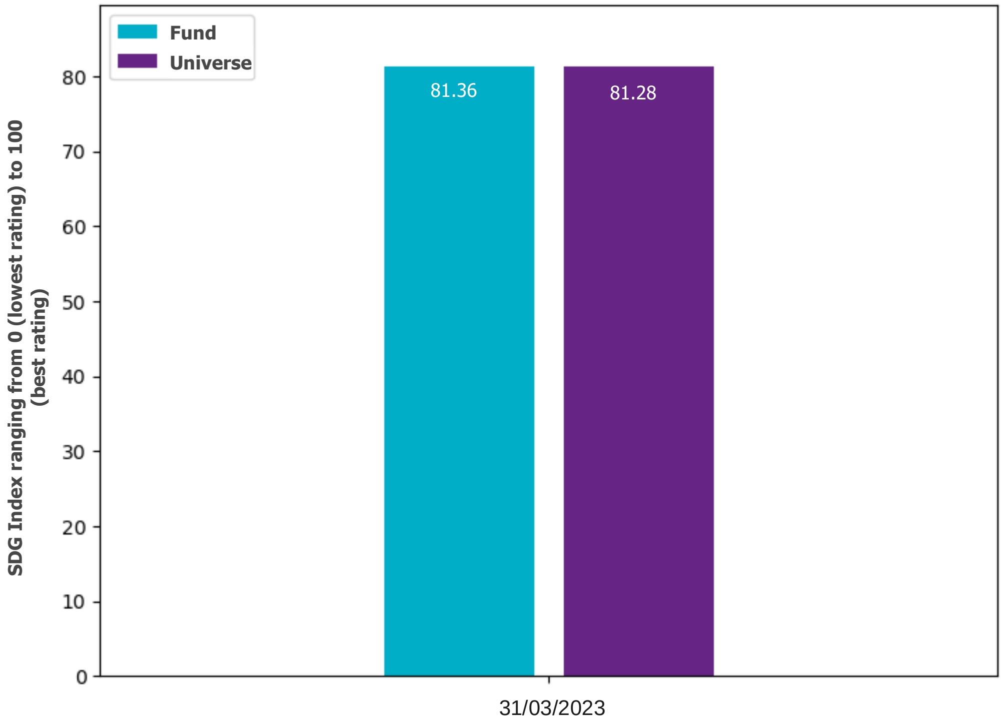
- The carbon intensity of the filtered Fund (160.63 tCO_2/m) was lower than that of the initial investment universe (174.49 tCO_2/m)

- The expenditure indicator in health and education (13.45) was better than that of the initial investment universe (12.87)
- The Fund holds 25.3% in sustainable investments.





ESG score



What were the objectives of the sustainable investments that the financial product partially intended to make and how did the sustainable investment contribute to such objectives?

Not applicable

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 did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

Not applicable

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

At the Ostrum entity level, we took into account the 14 principal adverse impacts listed in Annex 1 on the declaration of the principal adverse impacts on sustainability pursuant to Delegated Regulation (EU) 2022/1288 of 6 April 2022. The Fund took into account the two principal adverse impacts listed in Appendix 1 concerning the declaration of the principal adverse impacts on sustainability pursuant to Delegated Regulation (EU) 2022/1288 of 6 April 2022, which concerns sovereign and quasi-sovereign issuers (the Fund will not invest in private issuers). The PAIs are calculated on the basis of the information provided by our data provider. Information on the principal adverse sustainability impacts is available in the periodic report for the Fund pursuant to Article 11(2) of the SFDR Regulation and on the "ESG" section of the Ostrum website (www.ostrum.com).

Were 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 followed exclusion, sectoral and worst offenders policies. They essentially concern private issuers and can be found on the Ostrum website (www.ostrum.com) under "ESG".

The Fund, which does not invest in private issuers, only applies Ostrum's exclusion policy concerning blacklisted states (exclusion of countries with strategic deficiencies in their anti-money laundering and anti-terrorist financing systems).

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 European Union's criteria for environmentally sustainable economic activities.

How did this financial product consider principal adverse impacts on sustainability factors?

The Fund took into account the two principal adverse impacts listed in Appendix 1 concerning the declaration of the principal adverse impacts on sustainability pursuant to Delegated Regulation (EU) 2022/1288 of 6 April 2022, which concerns sovereign and quasi-sovereign issuers (the Fund will not invest in private issuers). Information on the principal adverse impacts on sustainability factors can be found in the Fund's periodic report under Article 11(2) of the SFDR Regulation and on Ostrum's website (www.ostrum.com) under the heading "ESG".

What were the top investments of this financial product?

The list includes the investments **constituting the greatest proportion of investments** of the financial product during the reference period, which is: 31/03/2023

Largest investments	Sector	% Assets	Country
SPGB 0% 01/27	Fixed-rate bonds	4.09%	Spain
OBL 1.300% 10/27	Fixed-rate bonds	3.97%	Germany
CADES 2.875% 05/27	Fixed-rate bonds	3.51%	France
BKO 2.500% 03/25	Fixed-rate bonds	3.17%	Germany
BTPS 2.650% 12/27	Fixed-rate bonds	3.17%	Italy
SPGBS 0% 07/29	Fixed-rate bonds	3.12%	Spain
BPIFRA 0% 05/28	Fixed-rate bonds	3.02%	France
DBRI 0.100% 04/26	Index-linked bonds	3.00%	Germany
BTPS 0% 04/26	Fixed-rate bonds	2.90%	Italy
KFW 0% 09/28	Fixed-rate bonds	2.75%	Germany
BTPS 0.900% 04/31	Fixed-rate bonds	2.72%	Italy
FRTR 1.750% 06/39	Fixed-rate bonds	2.36%	France
OST.SRI.EU.B.1-3 IC€	Bond UCIs	2.26%	France
SPGB 3.150% 04/33	Fixed-rate bonds	2.05%	Spain
DBR 1.800% 08/53	Fixed-rate bonds	2.04%	Germany

**The country shown is the risk country*

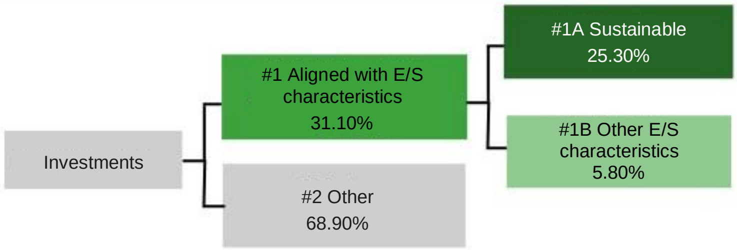
What was the proportion of sustainability-related investments?

At 31 March 2023, the proportion of sustainable investments was 25.30%

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?

Please refer to the chart below



#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 which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

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

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully 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 among others have greenhouse gas emission levels corresponding to the best performance.

In which economic sectors were the investments made?

At 31 March 2023, the Fund primarily invested in fixed-rate bonds issued in EU member countries (Germany, Italy, Spain, France etc.)

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

At 31 March 2023, the Management Company deemed it preferable, as a prudential measure, to state that the percentage of the Fund's investments in activities aligned with the environmental and social objectives of the Taxonomy represents 0% of the Fund's net assets.

Did the financial product invest in fossil gas and/or nuclear energy-related activities complying with the EU Taxonomy[1]?

- [ ] Yes:
  - [ ] In fossil gas
  - [ ] In nuclear energy
- [X] No

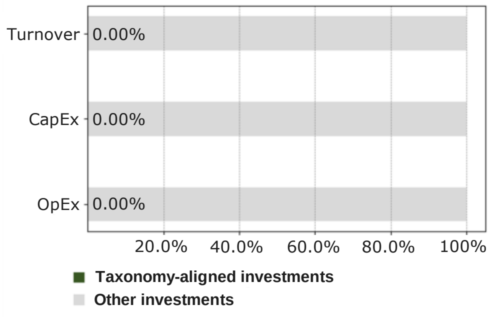
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:

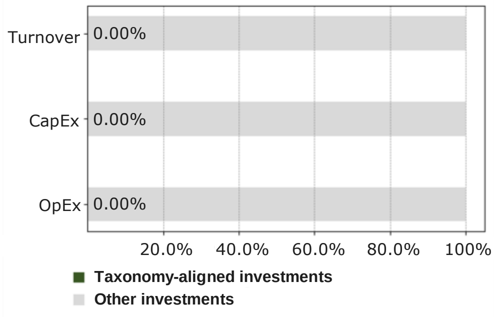
- **Turnover** reflecting the share of revenue from green activities of investee companies;
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy;
- **operating expenditure** (OpEx) reflecting green operational activities of investee companies.

The graphs below show in green the 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***



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



This graph represents **100.00%** of total investments.

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

What was the share of investments made 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%.

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

What was the share of sustainable investments with an environmental objective 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 or social objective is applied

What was the share of socially sustainable investments?

Not applicable

What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

At 31 March 2023, the Fund was 68.90% invested in category “2. Other”.

The following investments are included in this category: sovereign debt (excluding green), liquidities (excluding uninvested cash), the share of unaligned UCIs, forward contracts (derivatives) traded on regulated markets or over the counter only as hedging, repurchase agreements for cash management and optimisation of revenue and Fund 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.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The fund achieved its objectives in promoting environmental and social characteristics by:

- applying sector-specific and exclusion policies (blacklisted States);
- the construction of the portfolio, enabling it to obtain a better ESG score than that of the initial investment universe,
- taking into account the ESG and HR indicators of the SRI label,
- holding sustainable investments,
- via a carbon intensity of the portfolio below that of the filtered initial investment universe,
- via the maintenance of an expenditure indicator in health and education that is better than that of the initial investment universe
- indicators serving as a basis for the ESG ratings of the issuers.

How did this financial product perform compared with the reference benchmark?

Not applicable

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

- ***How does the reference benchmark differ from a broad market index?***

  Not applicable

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

  Not applicable

- ***How did this financial product perform compared with the reference benchmark?***

  Not applicable

- ***How did this financial product perform compared with the broad market index?***

  Not applicable