PROSPECTUS

UCITS under French law
subject to European Directive 2009/65/EC

OSTRUM SRI EURO BONDS 3-5

Prospectus dated 30 April 2024

I – General characteristics

- ***Name:*** OSTRUM SRI EURO BONDS 3-5.

Hereinafter referred to in this document as the "Fund".

- ***Legal form and country in which the Fund was established:***

A French mutual fund (FCP) incorporated in France under French law.

- ***Inception date and expected term:***

The Fund was authorised by the AMF on 31 August 2012 and launched on 17 September 2012 for a term of 99 years.

- ***Fund overview:***

<table>
<tr><th rowspan="2">Unit classes</th><th colspan="8">Features</th></tr>
<tr><th>ISIN code</th><th>Allocation of distributable income</th><th>Base currency</th><th>Subscribers concerned</th><th>Minimum recommended investment period</th><th>Minimum initial subscription</th><th>Minimum subsequent subscription amount</th><th>Initial net asset value</th></tr>
<tr><td>E unit</td><td>FR0011311414</td><td rowspan="3">Accumulation and/or distribution (and/or retained); possibility of interim dividend distribution</td><td rowspan="3">EUR</td><td>All subscribers</td><td rowspan="3">Over 3 years</td><td>€1,000</td><td rowspan="3">None</td><td>€1,000</td></tr>
<tr><td>I units</td><td>FR0011314798</td><td>All subscribers, more specifically UCIs and mandates of the management company or a legally linked company of the NATIXIS INVESTMENT MANAGERS group or managed by La Banque Postale Asset Management and/or entities of the La Banque Postale group</td><td>€10,000</td><td>€10,000</td></tr>
<tr><td>GP units</td><td>FR0013241031</td><td>Subscription to this unit is reserved for investors subscribing via distributors or intermediaries that are subject to national legislation prohibiting all retrocessions to distributors, or that provide one of the following services:
-An advisory service as defined by the European MiFID II regulation
-Individual portfolio management services under mandate
-And when they are paid exclusively by their clients.</td><td>€1,000</td><td>€100</td></tr>
</table>

- ***Address from which the latest annual and interim reports can be obtained:***

Natixis Investment Managers International

43 avenue Pierre Mendès
75013 Paris, France
Email: ClientServicingAM@natixis.com

Any additional information can be obtained from the Natixis Investment Managers International Customer Services Department, at these addresses or from your usual adviser.

- ***Address from which the latest net asset value may be obtained:***

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

- ***Information for professional investors:***

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

II - <u>Parties involved</u>

- ***Management Company:***

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

The Fund is managed by the management company in accordance with the guidelines specified for the Fund. The management company acts in all circumstances on behalf of the unitholders.
To cover potential risks in terms of liability for professional negligence to which the management company may be exposed in the course of managing Funds and SICAVs, the management company has chosen to provide additional funds of its own and not take out specific professional liability insurance.

- ***Intermediary:***

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

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

- ***Depositary, custodian and institution responsible for the clearing of subscription and redemption orders and for keeping the registers of units by delegation from the management company:***

CACEIS BANK
Société anonyme à conseil d'administration (public limited company with a board of directors)
approved by the ACPR (formerly CECEI) as a bank and investment services provider on 1 April 2005
Registered office: 89–91 Rue Gabriel Péri, 92120 Montrouge, France
Postal address: 12 Place des États-Unis, CS 40083, 92549 Montrouge Cedex, France

CACEIS Bank is responsible for the custody of the Fund's assets, for verifying that the management company's decisions are lawful, and for liability accounting (clearing of subscription and redemption orders for units, and management of the relevant issuance account).
As set out in the applicable Regulations, the depositary's duties include custody of the assets, verifying that the Management Company's decisions are lawful, and monitoring fund cash flows. The depositary is independent of the Management Company. The description of the delegated custodial duties, the list of custodians and sub-custodians of CACEIS Bank and information relating to conflicts of interest that may result from these delegations are available on the CACEIS website: www.caceis.com. Updated information is available to investors upon request from CACEIS Bank.

- ***Statutory Auditor:***

DELOITTE & ASSOCIES
185, avenue Charles de Gaulle
92524 Neuilly-sur-Seine Cedex, France
Signatory: Olivier Galienne

Marketing agents:

NATIXIS INVESTMENT MANAGERS INTERNATIONAL
43, avenue Pierre Mendès France, 75013 Paris, France

LA BANQUE POSTALE
115 Rue de Sevres, 75275 Paris Cedex 06, France

The marketing agent is the entity that markets the Fund's units.
The Fund's Management Company would like to remind investors that not all marketing agents are appointed by or known to the company, insofar as the Fund's units are listed on Euroclear.

- ***Representatives:***

Delegation of financial management:

OSTRUM ASSET MANAGEMENT
A société anonyme (public limited company) authorised by the AMF to operate as a Portfolio Management Company
43, avenue Pierre Mendès France, 75013 Paris, France
The delegation of financial management covers all aspects of the financial management of the Fund.

Delegation of accounting:

CACEIS FUND ADMINISTRATION
Société anonyme (public limited company)
Registered office: 89–91 Rue Gabriel Péri, 92120 Montrouge, France
Postal address: 12 Place des États-Unis, CS 40083, 92549 Montrouge Cedex, France
The delegated accounting manager undertakes accounting and calculation of the net asset value.

The Management Company has not identified any conflicts of interest that may arise from such arrangements.

- ***Advisors***: none.

III – Operating and management procedures

III-1 General features

- ***Features of the units:***
  - Rights attached to the unit class: each unitholder has co-ownership rights to the Fund's assets, proportional to the number of units held.
  - Liability accounting: liability accounting is provided by CACEIS Bank. Units are admitted to Euroclear France.
  - Voting rights: no voting rights are attached to the units. The voting rights attached to securities held by the Fund are exercised by the delegated investment manager.

    Information on the voting policy and the report on the conditions for exercising the delegated investment manager's voting rights are available on the website of the delegated investment manager: https://www.ostrum.com.
  - Type of units: units are issued in bearer or administered registered form. They are not issued in direct registered form.
  - Decimalisation: Subscriptions and redemptions may be made in amounts or in number of units, split into hundred-thousandths.

- ***Financial year-end:***

Last day of calculation of the net asset value in June. The closing date of the first financial year is the last day of calculation of the net asset value in June.

- ***Information on the taxation system:***

The Fund is not subject to corporation tax, but any distributions or capital gains or losses related to the holding of units in the Fund may be subject to taxation. The tax system applicable to amounts distributed by the Fund or to its realised or unrealised profits or losses depends on the tax provisions applicable to the investor's specific situation and/or the jurisdiction in which the Fund is invested.
Investors are advised to contact their tax advisor or marketing agent if they have any doubts relating to their tax situation.

III-2 Special provisions:

- ***ISIN codes:***

E unit: FR0011311414
I unit: FR0011314798
GP unit: FR0013241031

- ***Classification:*** Bonds and other debt securities denominated in euros.

- ***Holding of shares or units in other UCIs (UCITS or AIFs) or investment funds:***

The Fund invests up to 10% of its net assets in units or shares of UCIs (UCITS/AIF) or investment funds.

- ***Management objective:***

The Fund has two management objectives:

- to seek to outperform, over the minimum recommended investment period, the Bloomberg Euro Aggregate Treasury 3-5y index; and
- to promote non-financial criteria through a socially responsible investment (SRI) strategy.

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

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

- ***Benchmark:***

The benchmark is the Bloomberg Euro Aggregate Treasury 3-5y index.

The Bloomberg Euro Aggregate Treasury 3-5y index (coupons reinvested) is composed of securities issued by Member States of the eurozone and has a maturity of between three and five years.

The index is published by Bloomberg Index Services. Information on the index is available online at: www.bloomberg.com.

As the Fund is not an index fund, its performance may differ significantly from that of the benchmark, depending on the management choices made.

The benchmark index administrator is not registered on the register of directors and benchmark indices maintained by ESMA.

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 benchmarks 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.

- ***Investment strategy:***

Strategies employed

The Fund is actively managed and aims to outperform its reference benchmark. Management is discretionary: securities held directly will be selected within the benchmark but not exclusively so, so the difference in composition or monitoring between the Fund and its benchmark may be significant.

The Fund aims to achieve its management objective while integrating sustainability risks into its investment process. Sustainability risks are defined as an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment and/or the yield of the Fund.

The initial investment universe includes bonds issued by governments, quasi-public bodies (supranational agencies, national guarantee agencies and local authorities), fixed-rate and/or variable-rate bonds and inflation-indexed bonds.

Aside from green bonds[1], debt securities issued by the ESG-rated governments may make up to 70% of the portfolio (known as ineligible assets according to the French SRI label).

These securities are not considered eligible for this label, however, they have an ESG rating.

[1]A "green bond" is a bond issue introduced onto the financial markets by a company, international organisation or a local authority to finance a project or activity with an environmental benefit (source: Novethic.fr).

The rest of the portfolio will be considered SRI "eligible" and will represent at least 30% of the portfolio.

Excluding cash, derivatives and non-eligible assets, the securities that make up the remaining portion of the portfolio are also subject to an ESG assessment and qualified accordingly, in comparison with a benchmark universe.
These securities are: green bonds from sovereign issuers, securities from quasi-public issuers (supranational agencies, national guarantee agencies and local authorities) and UCIs.

In order to achieve the management objective, the Fund's investment strategy consists of managing a portfolio of securities issued and/or guaranteed by eurozone states and/or public bonds denominated in euro, while taking advantage of several sources of added value:

- management of the overall modified duration and by country based on expected interest rate trends. The modified duration of the portfolio will remain within the range [2; 5];
- choice of maturities of bond securities in order to benefit from distortion in the interest rate term structure (steepening, flattening etc.);
- selection of sovereign issuers based on the management teams' micro and macroeconomic analyses;
- allocation between sovereign and quasi-public sector issues, both to seek additional returns and to generate profits;
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The exclusion policy is applied to the initial investment universe.

The Fund must comply with the exclusion policies established by the investment manager:

- Regulatory exclusions
- Sectoral exclusions (e.g.: Tobacco)

Ostrum's exclusion policy can be found on its website at www.ostrum.com

After having excluded the most controversial issuers from the investment universe through the exclusion policies implemented by the Investment Manager, the investment teams systematically assess, for each underlying issuer, whether non-financial factors have an impact on issuers' credit risk profile, both in terms of risk and opportunity, as well as their likelihood of occurrence. Non-financial factors are thus systematically incorporated into the risk assessment and the fundamental analysis of issuers.

The incorporation of non-financial criteria is a two-step process:

1. The non-financial analysis

The Fund takes non-financial criteria into account, including environmental, social and governance (ESG) criteria.

The proportion of issuers of securities "eligible" for the SRI label that have undergone an ESG analysis must remain above 90%.

The non-financial analysis process is identical for investments in green bonds from sovereign issuers or quasi-public issuers (supranational agencies, national guarantee agencies and local authorities).

The non-financial rating of countries is based on the Sustainable Development Goals (SDGs) which refer to 17 goals established by United Nations Member States that seek to guide international collaboration towards sustainable development.

The non-financial evaluation of sovereign and equivalent issuers (supranational agencies, national guarantee agencies, local authorities), carried out by the Investment Manager, is based on the SDG Index, which is in turn based on the 17 SDGs. Available to all management teams, the SDG Index is published by the SDSN (Sustainable Development Solutions Network — a global UN initiative) and the Bertelsmann Stiftung (a foundation under German law) for sovereign securities.

The SDG Index collates all available data for each of the 17 SDGs and produces an evaluation report comparing countries' performances. Its main role is to help each country (i) to identify priorities surrounding sustainable development and put in place an action plan, and (ii) to understand the challenges and identify weaknesses that need to be addressed in order to achieve the SDGs by 2030. The index also allows each country to compare itself with the region it belongs to, or with other "comparable" countries, which have been given similar ratings.

The SDG Index is a numerical score between 0 (the worst rating) and 100 (the best rating), which tracks the progress made by countries for each of the SDGs. The report drawn up by the SDG Index also shows the SDG Dashboards for each country covered. Each goal is assigned a colour: green, if the country has already achieved the goal; yellow, if "challenges remain"; or red if "major challenges remain" in 2015 (red).

In order to evaluate each of these goals, the SDG Index relies upon official data (provided by national governments or international organisations) and unofficial data (collected by non-state actors such as research institutes, universities, NGOs and the private sector). Half of the official data used comes from three organisations: the OECD, the WHO and UNICEF. The main indicators analysed by the SDG Index are the maternal mortality ratio, life expectancy and the proportion of the population that has access to healthcare.

Investors can find more information on the SDG Index website: https://www.sdgindex.org/

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. The term “Public authorities” generally refers 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.

Although government securities that are not green bonds are subject to ESG assessment based on the Sustainable Development Goals outlined above, the results of the assessment are not measurably reflected in the SRI strategy described below (See Section 2 Selection of issuers). These government securities that are not green bonds may represent up to 70% of the Fund’s net assets.

Voting rights: no voting rights are attached to the units. The voting rights attached to securities held by the Fund are exercised by the delegated investment manager.

Information on the voting policy and the report on the conditions for exercising the delegated investment manager’s voting rights are available on the website of the delegated investment manager: https://www.ostrum.com

2. Selection of issuers

For investments in government green bonds and quasi-public issuers: we calculate an average SRI rating for this initial adjusted investment universe by removing the 20% worst-rated issuers (including the most controversial issuers according to the investment manager’s exclusion policies, as well as the lowest-rated issuers).

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We then compare the average SRI rating of the portfolio with that of the universe on government green bonds/quasi-public issuers.

The portfolio’s construction thus allows for an average SRI rating of each type of investment that is better than the average SRI rating of the initial investment universe, after eliminating 20% of the least-performing securities (including the most controversial issuers according to the investment manager’s exclusion policies, as well as the lowest-rated issuers) (“Best-in-Universe” approach).

Ultimately, the investment manager is the sole judge of the non-financial quality of the issuer, which is expressed in a final rating of between 0 and 100, with the SRI score of 0 representing very low non-financial quality and 100 representing very high non-financial quality.

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

Summary table:

		Minimum	Maximum
Modified duration range		2	5
Geographical region of issuers of securities	European Union issuers	80%	110%
	Exposure to OECD issuers outside the European Union	-10	10

The list of assets used to achieve this strategy is described below.

<u>Techniques and instruments used</u>

Assets (excluding embedded derivatives)

- <u>Debt securities and money-market instruments</u>

The Fund is invested in European Union debt securities and money market instruments denominated in euro or in another European Union currency with systematic hedging of currency risk: fixed-rate, variable-rate, adjustable-rate or indexed securities.

These securities are mainly sovereign securities or securities guaranteed by eurozone Member States.

Securities issued or guaranteed by a eurozone Member State may represent, for the same issuer, up to 35% of assets, and 100% of assets if the Fund holds at least six issues, none of which exceed 30% of assets.

The Fund may be exposed to a limit of -10/+10% for securities from issuers within the OECD area outside the European Union in a currency other than the euro, with the introduction of a systematic hedging of currency risk.

Based on the investment universe defined above (geographical area, maturity, minimum ratings on acquisition and when held), the Management Company carries out an internal analysis of credit risk to select or sell a security. It does not mechanically or exclusively use the ratings provided by the financial rating agencies, but incorporates its own analysis of the security's return/risk profile (profitability, credit, liquidity, maturity) when deciding whether to purchase the security and whether to retain or sell it.

The securities selected have a minimum rating of BBB-/Baa3 ("Investment Grade" category) in application of the Basel method, (which stipulates that in the event of a security being rated by the main existing agencies (Standard & Poor's, Moody's, Fitch), the agency rating used is (i) the lower of the two best ratings, if the security is rated by at least three agencies; or (ii) the lower of the two ratings, if the security is rated by only two agencies; or (iii) the rating issued by the sole agency that rated the security, if the security is rated by only one agency) or a rating deemed equivalent by the Management Company, subject to the issuer's eligibility in light of the internal analysis of the security's yield/risk profile (profitability, credit, liquidity, maturity).

By way of exception, the Fund may also invest up to 10% of its net assets in securities with a rating below BBB-/Baa3, known as "speculative" securities (using the same methodology as explained above). The Fund may invest up to 10% of net assets in unrated securities. Unrated securities and speculative securities may not exceed 10% of overall net assets. Unrated securities must be internally assessed by the Management Company.

In the absence of an issue rating, the rating of the issuer or of the guarantor will instead be used, incorporating the level of subordination of the issue, if necessary.

- Units or shares of other UCITS, AIFs or foreign investment funds

Up to 10% of the net assets may also be invested in units or shares of French or European UCITS (including ETFs/trackers[2]), as well as in units or shares of investment funds governed by French or foreign law that comply with the equivalence criteria set out in Article R.214-13 of the French Monetary and Financial Code.

These UCIs may specifically specialise in management strategies which the Fund does not use as part of its investment strategy. This diversification will remain ancillary and aims to create added value within the framework of controlled risk.

The Fund reserves the right to acquire units or shares of UCIs or investment funds managed by the Management Company or a legally affiliated company or company of the NATIXIS INVESTMENT MANAGERS group or managed by La Banque Postale Asset Management and/or entities of the La Banque Postale group.

Derivatives

Derivative financial instruments may be used to implement hedging or exposure strategies, which the Fund uses as part of its investment strategy.

- Interest rate futures and options or futures and options on interest rate indices on French and/or foreign regulated or organised markets, or over-the-counter markets and interest rate swaps for the purpose of hedging or exposure to interest rates: these instruments will be used in particular to hedge the interest rate risk on the portfolio or on one or more securities, to adjust the modified duration of the portfolio between 2 and 5, to implement strategies on curve movements by arbitrating maturities within the Eurozone rate curve.
- Foreign exchange futures and options on French and/or foreign regulated or organised markets, or over-the-counter markets, foreign exchange swaps and forward foreign exchange contracts for currency hedging purposes.
- Index swaps (including inflation) for hedging or exposure (positive or negative): these instruments will be used to hedge the risk linked to the index on the portfolio or on one or several securities in particular, to increase the portfolio's exposure.

The indices underlying these instruments (EURIBOR, the eurozone inflation index) are re-balanced at least once every three months, without any significant cost for the Fund's portfolio.

Implementation of these strategies depends on the context of the financial markets and the value of assets in the portfolio, and aims to hedge the portfolio against financial risks and to allow its exposure.

The use of derivatives may generate an overexposure of the Fund to government bonds (purchase of futures or call options or sale of put options on government bonds) which may not exceed 100% of the exposure of the index and within the limit of a maximum leverage effect of 2.

Securities with embedded derivatives

To implement its investment strategy, the Fund may also invest up to 10% of its net assets in securities with embedded derivatives (certain Medium Term Notes, warrants, convertible bonds, bonds that are exchangeable or redeemable for shares) on interest rates, equities, credit, indices or currencies.

In addition, the Fund may also invest up to 70% of its net assets in callable and puttable bonds.

Cash borrowings

In order to achieve its management objective, and in particular for cash management purposes, the Fund reserves the right to make deposits, up to the limit of 100% of the Fund's net assets.

Cash borrowings

The Fund may borrow up to 10% of its assets in cash to deal with cash flow transactions (ongoing investments and divestments, subscription/redemption transactions etc.).

[2] Funds, SICAVs or equivalent instruments issued under foreign law which replicate, either directly or by investment, the securities making up an index (for example: FTSE MTS Global, FTSE MTS 3-5 years, Iboxx etc.) and traded continuously on a regulated market.

Repurchase and reverse repurchase agreements on securities:
The Fund may carry out temporary purchases and sales of securities (also known as securities financing transactions) up to 100% of the assets. It is expected that a maximum of 50% of the assets under management will be subject to securities financing transactions.

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

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

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

Information regarding the use of repurchase and reverse repurchase agreements on securities:

The purpose of using temporary sales of securities is to obtain an additional return for the Fund and therefore to contribute to its performance. Furthermore, the Fund may enter into reverse repurchase agreements as part of the reinvestment of cash collateral and/or repurchase agreements to meet liquidity requirements.

Temporary purchases and sales of securities will be guaranteed pursuant to the principles set out under "Contracts constituting collateral" below.

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

The counterparty or counterparties does/do not have any discretionary decision-making powers in respect of the composition or management of the Fund's investment portfolio or the asset underlying the derivative.

- ***Contracts constituting collateral***

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

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

The level of collateral and the discount policy are set by the Management Company's eligibility policy for collateral in accordance with the regulations in force, and include the following categories:
- Cash collateral in various currencies according to a predefined list, such as the EUR and USD;
- Collateral as debt securities or equity securities on the basis of a specific classification.

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

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

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

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

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

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

- ***Information about the Delegated Investment Manager's consideration of the principal adverse impacts of investment decisions on sustainability factors:***

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

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

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

- ***Risk profile:***

The Fund is classified under "Bonds and other debt securities denominated in euros". As such, the main risks associated with the investments and techniques used by the Fund and to which the investor is exposed are:

- **Interest rate risk**: this is the risk of a fall in the value of interest rate instruments due to fluctuations in interest rates. It is measured by modified duration. When interest rates rise, the net asset value of the Fund may decrease sharply.
- **Credit risk**: in the event of default or deterioration in the quality of issuers, for example the downgrading of their rating by the financial rating agencies, the value of the bonds in which the Fund is invested will fall; this could lead to a fall in the net asset value.
- **Risk associated with commitment to forward financial instruments**: the strategies implemented via forward financial instruments are based on the expectations of the management team. If market trends are not consistent with the strategies implemented, this could lead to a fall in the Fund's net asset value.

The Fund does not benefit from any guarantees in terms of capital or performance.

- **Counterparty risk associated with the use of over-the-counter products (derivatives) or resulting from temporary purchases and sales of securities**: the Fund is exposed to the risk of non-payment by the counterparty with which the transaction is concluded. This risk may lead to a fall in the net asset value of the Fund.

  In addition to the counterparty risk outlined above, the risks associated with temporary purchases and sales of securities may be liquidity or legal risks (the risk of inadequately drafting contracts entered into with counterparties) and operational risks (settlement/delivery risk) and, where applicable, risks related to the reuse of cash collateral (i.e. primarily the risk that the Fund is unable to repay the counterparty).
- **Risk associated with the holding of securities with a low or non-existent rating**: the Fund reserves the right to hold securities with a low or non-existent rating. Consequently, the use of high-yield securities (securities with a higher risk of default and greater volatility) may lead to a significant fall in the net asset value.
- **Risk associated with the holding of inflation-indexed instruments**: as the Fund is invested in inflation-indexed instruments (including derivatives), it is sensitive to fluctuations in real interest rates. Its net asset value may fall significantly due to deflation or a fall in anticipated inflation.
- **Sustainability risk**: this Fund is subject to sustainability risks as defined by Article 2(22) of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "SFDR"), which establishes "sustainability risk" to mean an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment.

  Environmental and/or Social and Governance criteria are incorporated into the portfolio management process as outlined above, to ensure that sustainability risks are taken into account in investment decisions. The sustainability risk management policy is available on the delegated Management Company's website.

However, there is no currency risk because it is systematically hedged.

- ***Target subscribers and investor profile:***

E units are open to all subscribers.

I units are open to all subscribers, more specifically UCIs and mandates of the Management Company or a legally linked company of the NATIXIS INVESTMENT MANAGERS group or managed by La Banque Postale Asset Management and/or entities of the La Banque Postale group.

GP units are reserved for investors subscribing via distributors or intermediaries that are subject to national legislation prohibiting all retrocessions to distributors or that provide:

-An advisory service as defined by the European MiFID II regulation

-Individual portfolio management services under mandate

-And when they are paid exclusively by their clients.

The Fund is specifically intended for investors seeking medium-term capital growth, wishing to be exposed to markets of bonds issued by eurozone Member States, with a maturity of between three and five years. Investors are thus exposed to the risks listed in the "Risk profile" section.

The amount that is appropriate to invest in this Fund will depend on investors' personal circumstances. To determine the amount to invest, investors should consider their personal wealth and/or assets, their current and three-year money needs, as well as their willingness to take risks or whether they would prefer to invest cautiously. Investors are also advised to diversify their investments sufficiently so as not to be exposed solely to the risks of this Fund, or to financial instruments exposed to comparable strategies.

Consequently, all investors are advised to discuss their specific situation with their financial advisor.

Subscribers residing in the US territory are not permitted to subscribe to this Fund.

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

- ***Recommended investment period:***

The minimum recommended investment period is three years.

- ***Procedures for determining and allocating distributable income:***

The net income for the financial year is equal to the amount of interest, arrears, dividends, premiums and share-outs, directors' fees and all income generated by the securities held in the portfolio of the Fund, plus income generated by temporary cash holdings, less management fees and borrowing costs.

Distributable income consists of:

1. Net income is increased by the balance carried forwards and increased or reduced by the balance of the income adjustment account (hereafter "component 1");
2. Profits, net of charges, minus losses (net of charges) for the current year, plus net profits of the same type recognised in previous years that have not been distributed or capitalised, plus or minus current-year net profit accruals (hereafter "component 2").

The sums mentioned in 1. and 2. may be distributed in full or in part, independently of each other.
The distributable income is to be paid, where necessary, no more than five months after the end of the financial year.
The Fund is an accumulation and/or distribution and/or carried forwards UCITS both for component 1 and for component 2. It may make use of interim dividend distributions.

- ***Frequency of distribution:***

The Management Company decides each month on the allocation of distributable sums and the possibility of distributing interim dividends.

- ***Unit or share features:***

The Fund has three categories of units: E units, GP units and I units.
The units are denominated in euros and are split into hundred-thousandths of units.

- ***Subscription and redemption procedures:***

- Subscription and redemption procedures and conditions:

Orders are executed in accordance with the table below:

D	D	D: NAV calculation day	D+1 business day	D+2 business days	D+2 business days
Clearing of subscription orders before 1.00 pm	Clearing of redemption orders before 1.00 pm	Execution of the order on D at the latest	Publication of the net asset value	Settlement of subscriptions[1]	Settlement of redemptions[1]

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

Investors are reminded that, when sending instructions to marketing agents other than the organisations indicated above, they must take into account that the cut-off time for clearing imposed by CACEIS Bank applies to these marketing agents.

As a result, these marketing agents may apply their own cut-off time, which may precede the cut-off time mentioned above, so as to allow them to meet their order transmission deadline with CACEIS Bank.

Other marketing agent networks themselves inform the holders of the cut-off time they apply to comply with the clearing time.

Subscriptions and redemptions may be made in amounts or in number of units, split into hundred-thousandths.

Minimum subscription amount:

E units/GP units:
Minimum initial subscription: €1,000.
Minimum subsequent subscription amount: none.

I unit:
Minimum initial subscription: €10,000.
Minimum subsequent subscription amount: none.

Redemption capping mechanism (gates mechanism):

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

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

Description of the method used:

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

Fund unitholders are reminded that the threshold for triggering the gates mechanism is linked to the ratio between:

- the difference, at the same clearing date, between the number of units of the Fund whose redemption is requested, expressed as an amount (number of units multiplied by the last net asset value), and the number of units of this Fund whose subscription is requested or the total amount of these subscriptions; and
- the net assets or the total number of units of the Fund.

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

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

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

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

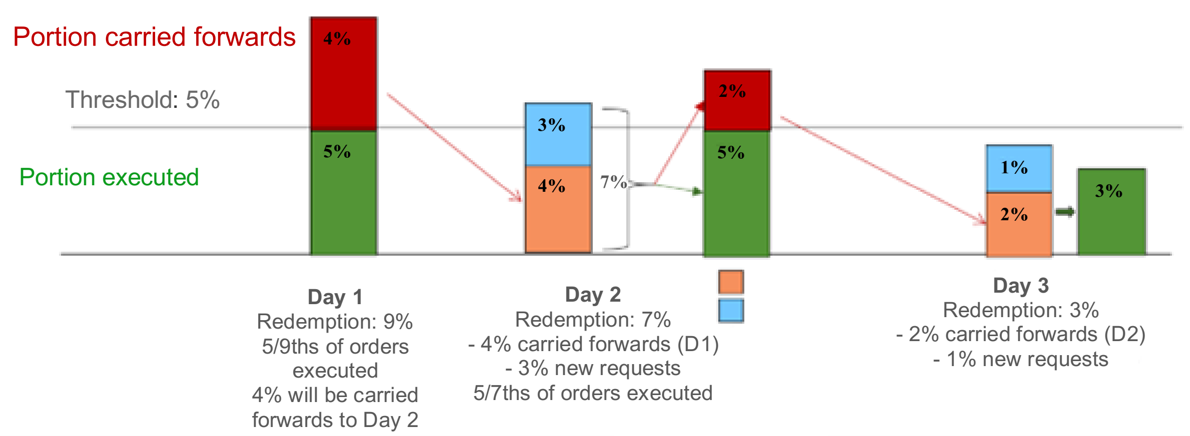
Information procedures for unitholders:

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

Processing of non-executed orders:
Redemption orders will be executed in the same proportions for Fund unitholders who have requested a redemption since the last clearing date. Non-executed orders will automatically be carried forwards to the next net asset value and will not take priority over new redemption orders sent for execution at the following net asset value.

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

Example of implementing the mechanism on the Fund:



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

- <u>Address of the institution appointed to receive subscriptions and redemptions:</u>

CACEIS Bank,

Registered office: 89–91 Rue Gabriel Péri, 92120 Montrouge, France
Postal address: 12 Place des États-Unis, CS 40083, 92549 Montrouge Cedex, France

- <u>Determination of the net asset value:</u>

The net asset value is calculated and published daily, with the exception of public holidays as defined by the French Labour Code and days on which the Paris stock exchange is closed.
The method used to calculate the net asset value is outlined in the "Asset valuation and accounting rules" section.
The net asset value is available from the Management Company and on the website www.im.natixis.com.

- ***Fees and commissions***

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

<table>
<tr><th rowspan="2">Fees charged to the investor payable at the time of subscription or redemption</th><th rowspan="2">Base</th><th colspan="3">Interest rate
Scale</th></tr>
<tr><th>GP units</th><th>E unit</th><th>I units</th></tr>
<tr><td rowspan="2">Subscription fee payable to third parties</td><td rowspan="2">Net asset value x number of units</td><td>• 3% maximum</td><td>• 3% maximum</td><td>▪ None</td></tr>
<tr><td colspan="2">• Nil for the reinvestment of dividends within three months of their payment date.
• Nil for subscriptions made by a unitholder following a redemption request for the same number of securities and the same net asset value.</td><td>• Nil for subscriptions from UCIs and mandates managed by the Management Company or a legally linked company/a company of the NATIXIS INVESTMENT MANAGERS group.
• Nil for the reinvestment of dividends within three months of their payment date.
• Nil for subscriptions made by a unitholder following a redemption request for the same number of securities and the same net asset value.</td></tr>
<tr><td>Subscription fee payable to the Fund</td><td>Net asset value x number of units</td><td colspan="3">• None.</td></tr>
<tr><td>Redemption fee payable to third parties</td><td>Net asset value x number of units</td><td colspan="3">• None.</td></tr>
<tr><td>Redemption fee payable to the Fund</td><td>Net asset value x number of units</td><td colspan="3">• None.</td></tr>
</table>

- Management fees

Fees charged to the Fund:

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

I. All fund registration and listing fees

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

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

II. All customer and distributor information costs

- Costs of compiling and distributing KIIDs/KIDs/prospectuses and regulatory reports;
- Costs related to the disclosure of regulatory information to distributors;
- Provision of information to unitholders by any means (publication in the press, other);
- Information specific to direct and indirect unitholders: letters to unitholders etc.;
- Website administration costs;
- Translation fees specific to the Fund.

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

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

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

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

V. Fees related to compliance with regulatory obligations and regulatory reporting
- Costs of preparing regulatory reports to the regulator specific to the UCI (MMF reporting, AIFM, ratio overruns etc.);
- Mandatory professional association contributions;
- Operating fees for monitoring threshold crossings;
- Operating fees for the deployment of voting policies at Shareholders' Meetings.

VI. Operating expenses
- Fees for compliance monitoring and control of investment restrictions where such restrictions arise from specific customer requests and are specific to the UCI.
This excludes all fees relating to the purchase and sale of the UCI's assets and fees relating to risk control.

VII. Fees related to customer knowledge
- Operating fees for customer compliance (due diligence and creation/updating of customer files).

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

	Fees charged to the Fund	**Base**	**Interest rate Scale**		
			E unit	**I units**	**GP units**
1	Financial management fees	Net assets	Maximum 0.70% incl. tax		Maximum 0.60% incl. tax
2	Operating and other service fees	Net assets	Maximum 0.10% incl. tax		
3	Transfer fees Management company	Transaction/Operation	None		
4	Performance fee	Net assets	None.		

Only the fees mentioned below may be outside the scope of the four blocks of fees mentioned above:

- contributions due for the management of this Fund pursuant to d) of 3° of II of Article L. 621-5-3 of the French Monetary and Financial Code;
- exceptional and non-recurring taxes, fees and governmental duties (in relation to the Fund);
- exceptional and non-recurring costs for debt recovery (e.g. Lehman) or proceedings to enforce a right (e.g. class action proceedings).

Information on these fees is also described *ex post* in the annual report of the Fund.

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

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

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

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

In order to improve the portfolios' yields and financial income, the delegated investment manager may use repurchase/reverse repurchase agreements. Almost all these repurchase and reverse repurchase agreements on securities are also carried out by Natixis TradEx Solutions. Furthermore, the portfolios may enter into repurchase arrangements to replace collateral received in cash.

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

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

For further information, please refer to the Fund's annual report.

IV - Commercial information

Subscription and redemption orders received by CACEIS Bank before 1.00 pm are executed on the basis of the next published net asset value.

Subscriptions and redemptions may be made in amounts or in number of units, split into hundred-thousandths.

The minimum initial subscription for E and GP units is €1,000.

The minimum initial subscription for I units is €10,000.

All requests for information and/or complaints relating to the Fund may be sent:

- to the marketing agent, or
- to the Management Company for questions relating to management.

DISTRIBUTION OF THE PROSPECTUS AND ANNUAL AND INTERIM DOCUMENTS

- These documents will be sent to unitholders upon written request to:

Natixis Investment Managers International
Direction 'Service Clients' [Customer Service Department]
43 avenue Pierre Mendès
75013 Paris, France
ClientServicingAM@natixis.com

These documents will be sent within eight business days.

- These documents are also available online at www.im.natixis.com
- Further information can be obtained from NATIXIS.

COMMUNICATION OF THE NET ASSET VALUE
The net asset value can be obtained from Natixis Investment Managers International and on the website www.im.natixis.com

COMMERCIAL DOCUMENTATION
Commercial documentation is available to the UCITS's unitholders and subscribers from NATIXIS and on the website "www.im.natixis.com".

Information in the event of a change in the UCITS' operating procedures
Unitholders will be informed of any changes concerning the UCITS in accordance with the procedures drawn up by the AMF. If applicable, this information may be provided via Euroclear France and its associated financial intermediaries.

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

V - Investment rules

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

It may use the exemption ratios provided for in R.214-21 IV(1) and VI and R.214-23 of the French Monetary and Financial Code in particular with regard to securities issued or guaranteed by Member States of the European Union.

VI - Overall risk

The portfolio's overall risk is calculated using the commitment method.

VII - Asset valuation and accounting rules

The UCITS complies with the accounting rules prescribed by current regulations, and specifically with the UCI chart of accounts. The accounting currency is the euro.

The portfolio's assets, including collateral, as described in the prospectus, are valued according to the following applicable rules:

Valuation method:
Financial instruments traded on a regulated market are valued on the basis of prices that seem most representative among stock market prices, prices provided by market specialists, prices used for the calculation of recognised market indices, or prices published in representative databases.

- Financial instruments traded on a regulated European market are valued on each trading day on the basis of the day's closing price.
- Financial instruments traded on a regulated market in the Asia-Pacific region are valued each trading day on the basis of the day's closing price.
- Financial instruments traded on a regulated market in the Americas are valued each trading day on the basis of the day's closing price, or by default on the basis of the last price quoted for the day.

Financial instruments traded on a regulated market outside the European Monetary Union are valued each trading day on the basis of the price on their main market converted into euros according to the WM Reuters price at 4.00 pm London time.

Units or shares of listed UCIs are valued on the basis of the prices that appear to be the most representative among stock market prices (closing price) or net asset values (last known net asset value).

Units or shares of unlisted UCIs and other unlisted investment funds are valued at the last known net asset value or, failing that, at their last estimated value.

With the exception of bonds issued by Eurozone States, the price of which is published on representative databases or contributed by market specialists, negotiable debt securities and similar instruments (repurchase agreements etc.) are valued:

- For variable-rate instruments at cost price adjusted for any variations in the credit spread;
- For fixed-rate instruments, on the basis of the market price and in the absence of an actuarially indisputable market price by applying the swap rate calculated by interpolation over the corresponding maturity plus or minus a margin estimated according to the intrinsic characteristics of the issuer of the security.

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

Temporary purchases and sales of securities are valued at the contract price, adjusted for any margin calls (valued in accordance with the conditions set out in the contract).

In the case of transferable securities that are not listed or whose prices were not quoted on the valuation date, as well as other items on the balance sheet, the Management Company adjusts their valuations on the basis of changes that seem likely in view of current events.

Transactions in futures and options are valued as follows:

- Transactions involving futures and options traded on organised markets in the European Monetary Union are valued each trading day on the basis of the clearing price on the valuation day.
- Transactions involving futures and options traded on foreign organised markets are valued each trading day on the basis of the price on their main market converted into euros according to the WM Reuters price recorded at 4.00 pm GMT.
- Commitments corresponding to transactions on the futures markets are recorded off-balance sheet at their market value, while those corresponding to transactions on the options markets are translated into their underlying equivalent.

Interest rate and currency swaps are valued as follows:

- Interest rate and/or currency swaps are valued at market value based on the price calculated by discounting future cash flows (principal and interest) at the market interest rate and/or currency.

- The combination of a security and its interest rate and/or currency swap contract may be subject to an overall valuation at the market rate and/or the rate of the currency resulting from the swap pursuant to the terms of the contract. This method may only be used in the specific case of a swap allocated to an identified security. The assimilated combination is then valued as a debt security.

Forward foreign exchange transactions are valued at market price based on forward foreign exchange curves.

Term deposits are valued at their market value based on the price calculated by discounting future cash flows.

Financial instruments, the prices of which were not recorded on the valuation day or for which the prices have been adjusted, are valued at their probable trading value at the Management Company's liability.

 Swing-pricing mechanism of the net asset value with trigger threshold

Since the creation of the Fund, the Management Company has implemented a method of adjusting the net asset value (NAV) with a trigger threshold.

This mechanism means that investors subscribing to or redeeming units must bear the costs relating to transactions made using the Fund's assets as a result of the movement (subscription/redemption) of Fund liabilities. This mechanism, supported by a policy, is designed to protect the unitholders who remain in the Fund by ensuring that they bear the lowest possible charges. This results in the calculation of an adjusted ("swung") NAV.

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

The readjustment cost and trigger threshold parameters are determined by the Management Company and periodically reviewed. These costs are estimated by the management company based on the transaction fees, the bid-ask spreads and any taxes applicable to the Fund.

It is not possible to accurately predict whether the adjustment mechanism will be applied in the future, or the frequency with which the Management Company will make such adjustments.

Investors are notified that the volatility of the Fund's NAV cannot reflect only that of the securities held in the portfolio because of the application of the adjustment mechanism.

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

Accounting method

Income is recognised in accordance with the coupon received method.

Additions to the portfolio are recorded at their acquisition price excluding fees, and disposals are recorded at their sale price excluding fees.

VIII – Remuneration

Details of the Management Company's remuneration policy are available at: www.im.natixis.com.

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

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

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

Product name: OSTRUM SRI EURO BONDS 3-5
Legal entity identifier: 9695 00ALV5VLO5MKK8 51

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective**: ___%	☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 40% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective**: ___%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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

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

The Fund promotes environmental and social characteristics, These characteristics are based on the following approach:

- Holding at least 40% in sustainable investments.
- Keeping the carbon intensity of the portfolio below that of the initial investment universe
- For the SRI-eligible portion (sovereign and quasi-sovereign green bonds issued by governments, guarantee agencies, supranational agencies and local authorities), selecting the highest-rated issuers according to an ESG rating with the objective of:
    - ensuring that the portfolio's average ESG rating remains better than that of its filtered initial investment universe*;
    - Maintaining a better health and education expenditure indicator than the initial investment universe

  *Filtered initial investment universe means the initial investment universe (securities issued or guaranteed by countries in 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 ratings within each issuer category are excluded (including the most controversial issuers according to the delegated management company's exclusion policies, as well as the lowest-rated issuers) and sovereign debt.

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. The term "Public authorities" generally refers 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.

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

- Average ESG rating of the Fund*
- Average ESG rating of the filtered initial investment universe*
- Carbon intensity of the Fund
- Carbon intensity of the initial investment universe
- Indicator of expenditure on health and education for the Fund*
- Indicator of expenditure on health and education for the initial investment universe*

- Proportion of sustainable investments held by the Fund
  *Only for the SRI-eligible portion (sovereign and quasi-sovereign green bonds issued by governments, guarantee agencies, supranational agencies and local authorities)

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

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

Sustainable investment 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.
As part of its sustainable investments, the portfolio may invest in green bonds, social bonds or sustainability-linked bonds whose funds raised finance activities that contribute to an environmental and/or social objective, or sustainability-linked bonds associated with environmental and/or social indicators which, after examination by our team of sustainable bonds analysts, have not been "disqualified".
Lastly, certain securities from sovereign issuers analysed in accordance with the 17 UN Sustainable Development Goals that favourably comply with internal selectivity criteria qualify as making a positive contribution to an E or S objective.
All these securities then undergo an in-depth analysis to ensure that they do not significantly harm any environmental and/or social objective.
Finally, we ensure that the companies or sovereigns in which the portfolio invests follow good governance practices.
Investments which pass these three phases qualify as sustainable investments. A detailed definition can be found at the following address: https://www.ostrum.com/en/our-csr-and-esg-publications#esg-policy

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

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

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

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

— How have the indicators for adverse impacts on sustainability factors been taken into account?

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

1. Quantitative measurement of PAIs: Each PAI (mandatory and optional) is calculated using data supplied by the data provider MSCI ESG Research for each issuer and aggregated at portfolio level.
2. ESG and Human Rights indicators and ESG ratings supplied by an external data provider: Ostrum Asset Management takes into account PAIs corresponding to indicators monitored by the portfolio by integrating them into its rating methodology or establishing a fund-specific investment restriction. For example, the Fund's carbon intensity is monitored and must be below the carbon intensity of the filtered investment universe.

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

The Fund does not invest in private issuers and only applies Ostrum Asset Management'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 EU criteria for environmentally sustainable economic activities.

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

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

X Yes

The Fund takes into account the 2 principal adverse impacts listed in Appendix 1 relating to the presentation of information on the principal adverse sustainability impacts pursuant to Commission 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 methodology is available on the Ostrum Asset Management website (https://www.ostrum.com/en/our-csr-and-esg-publications).

If one or more PAIs are monitored by the Fund, they are taken into consideration by the delegated management company when analysing issuers and form part of the overall score that contributes to the investment decision.

No

What investment strategy does this financial product follow?

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

1) The non-financial analysis

The Fund takes non-financial criteria into account, including environmental, social and governance (ESG) criteria.

The proportion of issuers of securities “eligible” for the SRI label that have undergone an ESG analysis must remain above 90%.

The non-financial analysis process is identical for investments in green bonds from sovereign issuers or quasi-public issuers (supranational agencies, national guarantee agencies and local authorities).

The non-financial rating of countries is based on the Sustainable Development Goals (SDGs), which refer to the 17 goals established by United Nations (UN) Member States that seek to guide international collaboration towards sustainable development.

The non-financial evaluation of sovereign and equivalent issuers (supranational agencies, national guarantee agencies, local authorities), carried out by the delegated management company, is based on the SDG Index, which is in turn based on the 17 SDGs. Available to all management teams, the SDG Index is published by the SDSN (Sustainable Development Solutions Network — a global UN initiative) and the Bertelsmann Stiftung (a foundation under German law) for sovereign securities. The SDG Index collates all available data for each of the 17 SDGs and produces an evaluation report comparing countries’ performances. Its main role is to help each country (i) to identify priorities for sustainable development and put in place an action plan, and (ii) to understand the challenges and identify weaknesses that need to be addressed in order to achieve the SDGs by 2030. The index also allows each country to compare itself with the rest of its region, or with other "peer" countries that have been given similar ratings.

A green bond is a bond issue introduced onto the financial markets by a company, international organisation or a local authority to finance a project or activity with an environmental benefit (source: Novethic.fr).

The SDG Index is a numerical score between 0 (the worst rating) and 100 (the best rating), which tracks the progress made by countries for each of the SDGs. The report drawn up by the SDG Index also shows the SDG Dashboards for each country covered. Each goal is assigned a colour: green, if the country has already achieved the goal; yellow, if "challenges remain"; or red if "major challenges remain" in 2015 (red). In order to evaluate each of these goals, the SDG Index relies upon official data (provided by national governments or international organisations) and unofficial data (collected by non-state actors such as research institutes, universities, NGOs and the private sector). Half of the official data used comes from three organisations: the OECD, the WHO and UNICEF. The main indicators analysed by the SDG Index are the maternal mortality ratio, life expectancy and the proportion of the population that has access to healthcare.

Investors can find more information on the SDG Index website: https://www.sdgindex.org/

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 the spending
- financed by transfers from international sources to the government. The term "Public authorities"
- generally refers 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.

The green bonds, social bonds, sustainability bonds and sustainability-linked bonds that may be held by the UCITS must at least comply with the Green Bond Principles, the Social Bond Principles, the SBG (Sustainability Bond Guidelines) and the Sustainability-linked Bond Principles, respectively. These principles and guidelines are all published as part of the ICMA (International Capital Market Association) Principles and are available in the Sustainable Finance section of the association's website: https://www.icmagroup.org/sustainable-finance/.

2) Selection of issuers

For investments in green bonds issued by governments and quasi-public issuers: we calculate an average SRI rating for this initial adjusted investment universe by removing the 20% worst-rated issuers (including the most controversial issuers according to the exclusion policies of the delegated management company and the lowest-rated issuers).

We then compare the average SRI rating of the portfolio with that of the universe on government green bonds/quasi-public issuers.

The portfolio's construction thus allows for an average SRI rating for each type of investment that is better than the average SRI rating of the initial investment universe, after eliminating 20% of the least-performing securities (including the most controversial issuers according to Ostrum Asset Management's exclusion policies and the lowest-rated issuers) ("Best-in-Universe" approach).

Ultimately, the delegated management company is the sole judge of the non-financial quality of the issuer, which is expressed in a final rating of between 0 and 100, with the SRI score of 0 representing very low non-financial quality and 100 representing very high non-financial quality.

The Fund will hold at least 40% sustainable investments

The Fund must also score better than its universe for the following two sustainability indicators:

- Keeping the carbon intensity of the Fund below the carbon intensity of the initial investment universe
- Maintaining a better health and education expenditure indicator than the initial investment universe (these calculations are performed for the SRI-eligible portion (sovereign and quasi-sovereign green bonds issued by governments, guarantee agencies, supranational agencies and local authorities))

The Fund's SRI approach could lead to underrepresentation of certain sectors due to poor ESG ratings.

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

- Obtaining an average ESG rating for the Fund that is better than the average ESG rating of the filtered initial investment universe*
- Keeping the carbon intensity of the Fund below the carbon intensity of the initial investment universe
- Keeping an indicator of expenditure on health and education for the Fund that is better than the indicator of expenditure on health and education for the initial investment universe*
- Holding at least 40% in sustainable investments.

*(These calculations are performed for the SRI-eligible portion (sovereign and quasi-sovereign green bonds issued by governments, guarantee agencies, supranational agencies and local authorities))

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

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

Not applicable

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

N/A. The Fund does not invest in private issuers

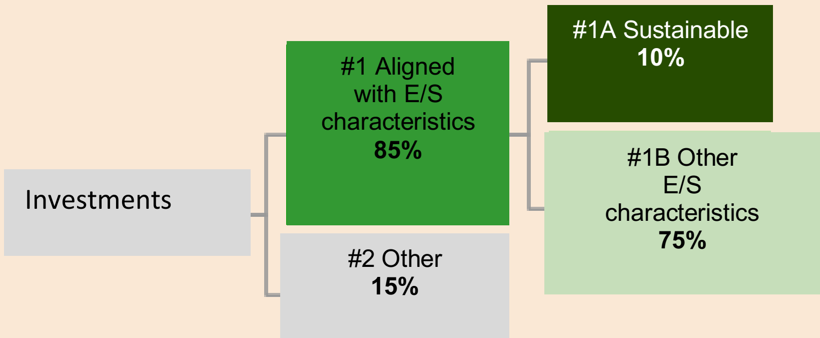
Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

The share of investments aligned with E/S characteristics is at least 85% of which a minimum of 40% in sustainable investments

The Fund may invest up to 15% of its net assets in instruments that are not aligned with the E and S characteristics (#2 Other).

Taxonomy-aligned activities are expressed as a share of:
- **Turnover** reflecting the share of revenue from green activities of investee companies.
- **Capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **Operational expenditure** (OpEx) reflecting green operational activities of investee companies.



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

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

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

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

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

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

The delegated management company deems it preferable, as a precaution, to state that the percentage of the Fund's investments in activities aligned with the environmental and social objectives of the Taxonomy is 0% of the Fund's net assets, at the date of this appendix.

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

☐ Yes:

☐ In gas ☐ In nuclear energy

☒ 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 objectives - 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.

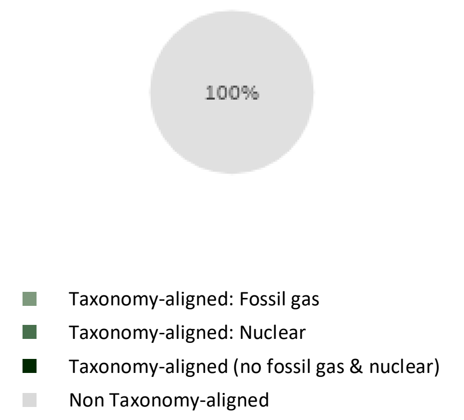
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy,** the criteria include comprehensive safety and waste management rules.

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

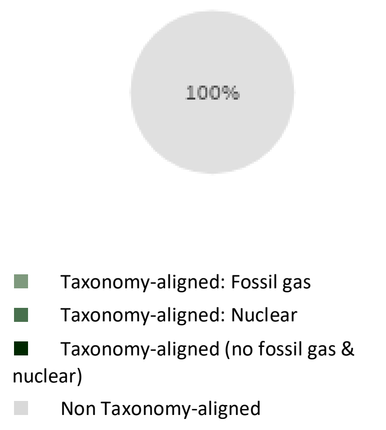
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

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



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



This graph represents 100% of the total investments.

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

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

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

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

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

No minimum investment in sustainable investments with a social objective is applied

What is the minimum share of socially sustainable investments?

The minimum share of socially sustainable investments is set at 0%.

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

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

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

Minimum environmental or social safeguards are not systematically applied.

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

Not applicable

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

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

Not applicable

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not applicable

- **How does the designated index differ from a relevant broad market index?**

Not applicable

- **Where can the methodology used for the calculation of the designated index be found?**

Not applicable

Where can I find more product-specific information online?

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

https://www.ostrum.com/en/fund/4065/ostrum-sri-euro-bonds-3-5