UCITS governed by European Directive 2009/65/EC

OSTRUM SRI CREDIT EURO 1-3

FRENCH MUTUAL FUND

PROSPECTUS AS AT 6 NOVEMBER 2023

I. GENERAL FEATURES

1 Form of the UCITS

- ***NAME:*** **OSTRUM SRI CREDIT EURO 1-3**

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

- ***LEGAL FORM AND COUNTRY IN WHICH THE UCITS WAS ESTABLISHED:***

Fonds commun de placement (FCP), a mutual fund under French law

- ***FEEDER FUND***

The Fund is a feeder fund invested in SI/D class shares (LU1118011771) of "OSTRUM SRI CREDIT SHORT DURATION" (the "master"), a sub-fund of Natixis AM Funds, a SICAV governed by Luxembourg law.

- ***INCEPTION DATE AND EXPECTED DURATION:***

The Fund was created on 25 July 2011 for a period of 99 years.

- ***DATE OF AMF APPROVAL:***

The Fund was approved by the *Autorité des marchés financiers* (AMF), the French financial markets authority, on 10 June 2011.

- ***SUMMARY OF THE MANAGEMENT OFFER:***

Unit classes	Target subscribers	Minimum subscription	ISIN code	Allocation of distributable income	Base currency	Initial net asset value
R(C)	All individual subscribers and clients of the distribution networks	One ten-thousandth of units	FR0011071778	Accumulation	EUR	*Net asset value of NATIXIS EURO AGGREGATE SICAV as at 22 July 2011*
N(C)	Subscription to this unit is reserved for investors subscribing via distributors or intermediaries that are subject to national legislation prohibiting any retrocessions to distributors, or providing an independent advisory service within the meaning of the European MiFiD II regulation or an individual portfolio management	One ten-thousandths of units	FR0013307634	Accumulation	EUR	€100

	service under mandate.					
I(C)	Institutional investors and corporations	€100,000	FR0011068642	Accumulation	EUR	*Net asset value of NATIXIS EURO AGGREGATE SICAV as at 22 July 2011*
I(D)	Institutional investors and corporations	€100,000	FR0011071273	Net income: Distribution Net realised gains: Accumulation	EUR	*Net asset value of NATIXIS EURO AGGREGATE SICAV as at 22 July 2011*

❑ **Address from which the latest annual and interim reports and the asset composition details can be obtained:**

These documents will be sent to the holder within eight business days upon simple written request to:

- Natixis Investment Managers International
43 Avenue Pierre Mendès France
75013 Paris
email: ClientServicingAM@natixis.com

- The French Directorate General of Public Accounting (DGCP) (representing the PUBLIC TREASURY network)
An office of the French Ministry for the Economy
120 rue de Bercy, 75012 Paris

- Post offices

Additional information can be obtained from Natixis Investment Managers International at the above address, or from your usual advisor.

The documents relating to "OSTRUM SRI CREDIT SHORT DURATION", a sub-fund of the Luxembourg SICAV entitled "Natixis AM Funds", are available from the Management Company ("Natixis Investment Managers International").

❑ ***INFORMATION FOR PROFESSIONAL INVESTORS:***
Natixis Investment Managers International may send the breakdown of the UCI's portfolio to investors classified as professional investors by the ACPR, the AMF or equivalent European authorities, for the sole purpose of calculating regulatory requirements under Directive 2009/138/EC (Solvency II).

2 Parties involved

❑ ***MANAGEMENT COMPANY:***

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

- ***DEPOSITARY AND CUSTODIAN BY DELEGATION FROM THE MANAGEMENT COMPANY:***

CACEIS Bank – A limited company with a Board of Directors with registered offices at: 89-91 rue Gabriel Péri, 92120 Montrouge, France.
Postal address: 89-91 rue Gabriel Péri, 92120 Montrouge, France.
Bank and provider of investment services approved by the French prudential supervision and resolution authority, the ACPR (formerly the CECEI), on 1 April 2005.

The duties of the depositary include, as set out in the applicable Regulations, custody of the assets, checking that the Management Company's decisions are lawful and monitoring the UCITS' 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 BANK website: www.caceis.com

- ***INSTITUTION RESPONSIBLE FOR THE CLEARING OF SUBSCRIPTION AND REDEMPTION ORDERS AND FOR KEEPING THE REGISTERS OF UNITS BY DELEGATION FROM THE MANAGEMENT COMPANY:***

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

CACEIS Bank
Legal form: *société anonyme* (public limited company)
Credit institution authorised by the ACPR (formerly CECEI)
89-91 rue Gabriel Péri, 92120 Montrouge, France

For subscription and redemption orders placed via the Natixis IM customer portal:

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

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

Updated information is made available to investors upon request.

- ***PRIME BROKER:***

None

- ***STATUTORY AUDITOR:***

From 1 January 2018, the appointed statutory auditor is:

DELOITTE & ASSOCIES
Represented by Olivier Galienne
Registered office: 185 avenue Charles de Gaulle, 92524 Neuilly-sur-Seine Cedex, France

- ***DISTRIBUTORS:***

- NATIXIS Investment Managers International
A *société anonyme* (limited liability company) authorised by the AMF to operate as a Portfolio Management Company on 22 May 1990 under number GP 90-009.
43 Avenue Pierre Mendès France, 75013 Paris

- The DGCP, representing the Public Treasury network and answerable to the Ministry for the Economy

120 rue de Bercy, 75012 Paris

- La Banque Postale
Société anonyme (limited liability company)
34 rue de la Fédération, 75115 Paris Cedex 15 France

- ***REPRESENTATIVES:***

Party responsible for accounting:
Company name: CACEIS FUND ADMINISTRATION, which provides the financial management and valuation of the Fund on behalf of Natixis Investment Managers International
Registered office: 89-91 rue Gabriel Péri, 92120 Montrouge, France
Postal address: 89-91 rue Gabriel Péri, 92120 Montrouge, France
Nationality: French

Delegation of financial management:
Company name: Ostrum Asset Management
Legal form: A société anonyme (public limited company) authorised by the AMF to operate as a portfolio management company
Registered office: 43, avenue Pierre Mendès France, 75013 Paris, France

- ***ADVISORS:***

None

II. OPERATING AND MANAGEMENT CONDITIONS

1. General features:

- ***<u>RIGHTS ASSOCIATED WITH THE UNIT CLASS:</u>***

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

- ***<u>ENTRY IN A REGISTER, OR ESTABLISHMENT OF PROCEDURES FOR LIABILITY ACCOUNTING:</u>***

Liability accounting is handled by CACEIS BANK.
The units are administered by Euroclear France.

- ***<u>VOTING RIGHTS:</u>***

The units do not carry any voting rights. Management of the Fund is carried out by the Management Company, which acts on behalf of the holders and in their exclusive interest.

The Management Company's voting policy may be consulted at its registered office or at www.im.natixis.com.

- ***<u>TYPE OF SHARES:</u>*** bearer shares

- ***<u>DIVISION OF SHARES:</u>***

The units are split into ten-thousandths of a unit.

- ***<u>FINANCIAL YEAR-END</u>:***

The last Paris stock exchange trading day in December for 2012 and 2013, then the last Paris stock exchange trading day in June for 2014 and subsequent years.
The end of the first financial year was the last Paris stock exchange trading day of December 2012.

- ***<u>INFORMATION ON THE TAXATION SYSTEM</u>:***

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

2 Specific provisions

- ***ISIN CODE:***

Units	ISIN codes
R(C)	FR0011071778
N(C)	FR0013307634
I(C)	FR0011068642
I(D)	FR0011071273

- ***CLASSIFICATION:***

Bonds and other debt securities denominated in euros

- ***HOLDING SHARES OR UNITS IN OTHER UCIs (UCITS OR AIFs) OR INVESTMENT FUNDS:***

A minimum of 85% of the net assets of the UCITS are directly invested in SI/D (EUR) shares of the OSTRUM SRI CREDIT SHORT DURATION sub-fund of the Luxembourg SICAV NATIXIS AM Funds and in cash on an ancillary basis.

- ***MANAGEMENT OBJECTIVE:***

The UCITS' objective is identical to that of its master fund. Its performance is the same as that of its master, less management fees applicable to the feeder fund.

Reminder of the management objective for the master fund:

The investment objective of Ostrum SRI Credit Short Duration (the "Sub-fund") is to outperform the Bloomberg Euro Aggregate Corporate 1-3 years index over its recommended minimum investment period of two years, by investing in a wide range of bond instruments and by applying a socially responsible investment ("SRI") strategy.

The investment policy is based on active management. The Benchmark index is used for comparison purposes only. In practice, the Sub-fund's portfolio may include components of the Benchmark index, but the Investment Manager is free to select the securities that make up the portfolio in compliance with the Sub-fund's investment policy. The Investment Manager remains free to choose the securities that make up the portfolio in accordance with the management strategy and investment constraints.

The Benchmark index does not intend to be consistent with the environmental or social characteristics that will be promoted by the Sub-fund from 1 July 2022.

The pre-contractual information on this Fund's environmental or social characteristics, required by Regulations (EU) 2019/2088 "SFDR" and (EU) 2020/852 "TAXONOMY", are attached to this prospectus.

- ***BENCHMARK INDEX:***

The Fund has the same benchmark index as its master, namely:

The Bloomberg Euro Aggregate Corporate 1-3 years index is a large index representative of the market for "investment grade" fixed-rate corporate bonds denominated in euros, with maturities of between 1 and 3 years. Inclusion in the index is based on the currency of the bond and not on the nationality of the issuer.

Information about the Bloomberg Euro Aggregate Corporate 1-3 years index is available at www.bloomberg.com

- ***INVESTMENT STRATEGY:***

At least 85% of the Fund's assets are invested in SI/D class shares (LU1118011771) of its master.

Reminder of the master's investment strategy:

Reference currency: *EURO (EUR)*

The Sub-fund promotes the consideration of environmental or social characteristics but does not pursue a sustainable investment objective. In this context, it may invest partially in assets with a sustainable objective, particularly in those that are classified as sustainable according to the European Union classification. For more information on the environmental or social characteristics promoted by the Sub-fund, please refer to the Appendix of the SFDR.

"The Sub-fund's investment process combines three main performance drivers:

- *Directional exposure to credit: overweighting/underweighting of credit risk compared to the Benchmark index;*
- *Selection of issuers and issues: overweighting/underweighting of the weight of various issuers and issues compared to the Benchmark index; the Sub-fund may also invest in issuers and issues that are not part of the Benchmark index;*
- *Sector allocation (to a lesser extent): overweighting/underweighting of exposure to varied economic sectors (finance, industry, public services, etc.) compared to the Benchmark index, based on economic cycles and potential rating variations.*

The investment process is based on a fundamental analysis using an assessment of relative value and other technical factors. The Delegated Investment Manager relies on the appraisal of credit risk by their teams and their own methodology.

The Sub-fund is exposed at all times to debt securities denominated in euros.

Above and beyond this appraisal, the Sub-fund invests at least 80% of its net assets in debt securities rated "investment grade"[1], or other instruments (liquidity, UCITS, etc.), or an equivalent rating in accordance with the Delegated Investment Manager's analysis.

The Sub-fund may also invest up to 20% of its net assets in high-yield debt securities[2].
The Sub-fund may also invest up to 15% of its net assets in securitisation instruments (excluding CDO).
High-yield securities and securitisation instruments are sources of diversification and performance.
The Sub-fund may also invest up to 5% of its net assets in contingent convertible securities.

Moreover, if the rating of a security already included in the portfolio is downgraded and drops below the minimum rating, the Delegated Investment Manager will determine whether to keep or remove the security, while ensuring that Shareholders' interests are the primary criterion for any decision.

		Minimum	*Maximum*
Portfolio sensitivity range		*0*	*4*
Issuers' geographical zone (calculated as a percentage of the Sub-fund's exposure	*Eurozone exposure*	*0%*	*200%*
	Exposure outside the Eurozone	*0%*	*200%*

The Sub-fund is not exposed to equities.

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[1] *Minimum rating of BBB- from Standard & Poor's or equivalent*

[2] *Rating below BBB- by Standard & Poor's or an equivalent rating.*

1 and 2. The applicable rating is either the average rating of Moody's, Standard & Poor's and Fitch Ratings after discounting the highest and lowest available ratings, or an equivalent rating as determined by the Delegated Investment Manager. If the rating is available from two rating agencies only , the lowest rating is used. If the rating is available from a single rating agency only, that is the rating used.
This rating will be the issue rating. If the issue rating is unavailable, the issuer rating is used instead. If the issue benefits from an explicit guarantee, the rating of the guarantor is used. If both the issue rating and issuer rating are unavailable, the equivalent rating according to the Delegated Investment Manager's analysis is used instead.

The Sub-fund may also invest up to 10% of its net assets in debt securities not denominated in euros.

Currency risk with respect to the euro is systematically hedged.

The Sub-fund implements the SRI investment strategy described below.

SRI investment strategy

The Sub-fund's SRI investment strategy is based on the following three components:

1. *Integration of ESG factors into our research*

After having excluded the most controversial issuers from the investment universe through the exclusion policies implemented by the Delegated Investment Manager, the investment teams systematically assess, for each underlying issuer, whether non-financial factors have an impact on the issuer's credit risk profile, both in terms of risk and opportunity, as well as their likelihood of occurrence. Non-financial factors are therefore systematically taken into account when assessing risks and conducting a fundamental analysis of private and public issuers.

The Delegated Investment Manager then analyses a set of quantitative and qualitative indicators relating to environmental, social and governance criteria. The following examples are provided for information purposes only.

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

- Responsible governance: this pillar aims to assess the organisation and effectiveness of powers within each issuer (e.g. for companies, assessing the balance of power, executive remuneration, business ethics or tax practices).

- Sustainable management of resources: this pillar makes it possible, for example, to study the environmental impacts and human capital (e.g. quality of working conditions, management of supplier relationships) for each issuer.

- Economic and energy transition: this pillar makes it possible, for example, to assess each issuer's strategy in terms of energy transition (e.g. approach to reducing greenhouse gas emissions, response to long-term issues).

- Territorial development: this pillar makes it possible, for example, to analyse each issuer's strategy in terms of access to basic services.

Several criteria are identified for each pillar and monitored through indicators collected from non-financial rating agencies. Lastly, the Delegated Investment Manager remains the sole judge of the issuer's non-financial quality, which is expressed in the form of a final rating of between 1 and 10, with an SRI rating equal to 1 representing high non-financial quality, whereas 10 represents low non-financial quality.

2. *Application of an SRI selection process to the Sub-fund*

The Sub-fund adopts an SRI process based on the "average rating" method. This method aims to ensure that the Sub-fund's average ESG rating is never lower than that of its SRI investment universe.

The SRI investment universe is defined as the investment universe, after exclusion of the following two categories:

- sovereign debt (with the exception of green bonds issued by sovereign issuers);

- the 20% of the least well-rated issuers (including the most controversial issuers of the investment universe through the application of sectoral exclusion policies, as well as the lowest-rated issuers) based on the ESG rating obtained from external suppliers.

External suppliers' ESG ratings are used to assess the initial investment universe made up of private issuers.

For each of the following pillars, the Delegated Investment Manager has defined: Environment, Social, Governance and Human Rights, a specific indicator that will be evaluated and compared with the Sub-fund and the SRI universe. Detailed information on indicators is presented in the Sub-fund's "Code of Transparency", available on the website of the Delegated Investment Manager on the Sub-fund page.

Limitations of the approach used: the Sub-fund's SRI approach may result in under-representation of certain sectors due to a poor ESG rating or due to the sector exclusion policy applied by the Delegated Investment Manager.

At least 90% of the portfolio's net assets is made up of SRI-labelled assets (according to the definition of the French SRI label) that have an ESG rating.

3. Application of a list of exclusions

The Sub-fund is required to apply exclusion policies involving:

- *exclusion of sectors (e.g. tobacco, coal etc.);*
- *exclusion of "worst offenders": the Delegated Investment Manager undertakes to exclude from its investments any equities or bonds of private issuers that have committed proven and serious infringements of a set of core standards of responsibility.*

The exclusion policies of the Delegated Investment Manager are described in more detail on its website https://www.ostrum.com/en/our-csr-and-esg-publications

In addition to the above, the Delegated Investment Manager takes into account the main negative impacts of investment decisions on sustainability factors. The Delegated Investment Manager takes into account the negative impacts on sustainability in its decisions and organisation. The governance of these aspects is established in its procedures, with a view to clarifying the roles and responsibilities of the various teams. The Delegated Investment Manager uses several policies to identify and rank the main negative impacts in terms of sustainability. In this regard, an ESG policy, which defines investment policies and its environmental, social and governance (ESG) practices, has been established. The Delegated Investment Manager has also developed an engagement and voting policy, which covers all asset classes and defines common themes and areas of engagement. All sectoral policies described in the section on incorporating sustainability risks also provide a clear overview of the main negative impacts taken into account by the Delegated Investment Manager.

Investment in undertakings for collective investment
The Sub-fund may invest up to 10% of its net assets in undertakings for collective investment.

Use of derivatives or other investment techniques and instruments
The Sub-fund may use derivatives for the purposes of hedging and investment for a total of 100% of its net assets, as described in the section entitled "Use of Derivatives, Special Investment Techniques and Hedging".

Under certain circumstances (detailed below), the Sub-fund may enter into securities lending transactions and securities repurchase transactions for the purposes of efficient portfolio management as described in the "Securities repurchase agreements" and "Securities lending and borrowing" sections of the chapter entitled "Use of Derivatives, Special Investment Techniques and Hedging".

The Sub-fund will enter into repurchase and securities lending transactions depending on opportunities and according to market conditions, when the Delegated Investment Manager considers that the composition of the portfolio, the type of strategy and market conditions are likely to allow the Sub-fund to generate capital or additional income.

On entering into repurchase and securities lending transactions, the Sub-fund will generally seek to reinvest the collateral received in cash in eligible financial instruments or in interest-bearing deposits that offer a higher return than the financial costs incurred on entering into such transactions.

The Sub-fund's exposure:

(i) to securities repurchase transactions should generally represent approximately 25% of its net assets and not exceed 50% of its net assets; and

(ii) to securities lending transactions should generally represent approximately 25% of its net assets and not exceed 50% of its net assets.

The capital amount of the Sub-fund's assets that may be subject to financial cash transactions as described above may represent up to 50% of the Sub-fund's net asset value.

- ***Information about the Management Company's consideration of the main negative impacts of investment decisions on sustainability factors:***

Information about the Investment Manager's consideration of the main negative impacts of this Fund is included in the pre-contractual information on environmental or social characteristics, attached to this prospectus, and in the Fund's annual report in accordance with Article 11 (2) of the SFDR Regulation (EU) 2019/2088.

- ***INFORMATION ON THE TAXONOMY REGULATION (EU) 2020/852:***

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

- ***RISK PROFILE:***

"Your money will be invested in financial instruments selected by the Management Company. These instruments will be subject to the movements and trends of the markets."

Investors should be aware that the Fund's performance may not meet their objectives and that they may not recover the full amount of the capital they have invested.

The UCITS' risk profile is identical to that of its master fund, Ostrum SRI Credit Short Duration, i.e.:

- ***Risk of capital loss***

Principal value and returns fluctuate over time (including as a result of currency fluctuations) so that shares, when redeemed, may be worth more or less than their original cost. There is no guarantee that the capital invested in a share will be returned to the investor in full.

- ***Risk of debt securities***

The main risks linked to investing in debt securities are the following:

- ***Changes in interest rates***

The value of interest rate securities held by a Sub-fund tends to increase or decrease according to interest rate fluctuations. Interest rates generally vary from one State to another and may change for a number of reasons. Such reasons include the rapid expansion or contraction of a State's money supply, trends in demand for borrowing from companies and consumers, as well as actual or predicted changes to the rate of inflation.

- ***Credit risk***

The issuer of any debt security acquired by a Sub-fund may fail to meet its financial obligations. Furthermore, the price of any debt security acquired by a Sub-fund normally reflects the perceived risk of the issuer of the security defaulting at the time when the Sub-fund acquired the security. If this perceived risk increases after acquisition, it is likely that the value of the security held by the Sub-fund will decrease.

Many factors may cause an issuer to fail to meet its financial obligations, or result in an increase of the perceived risk of an issuer defaulting. Such factors include: a downgrading of the financial position of the issuer as a result of trends in demand for the issuer's products and services, the occurrence of a serious legal dispute, or changes to the applicable laws, regulations and tax systems. The greater the concentration of a Sub-fund in a given sector, the more likely it is to be impacted by factors that affect the overall financial position of this sector.

- ***Liquidity risk***

Some Sub-funds acquire securities that are exclusively traded by a limited number of investors.

Given the limited number of investors for these securities, such Sub-funds may find it difficult to dispose of these securities quickly in unfavourable market conditions. Among the securities acquired by these Sub-funds, for which the number of investors is limited, are many derivatives and securities issued by entities with a considerable credit risk.

Some markets, in which certain Sub-funds may invest, may periodically prove to be insufficiently liquid or illiquid. This affects the market price of these securities and consequently affects their net asset value.

Furthermore, due to a lack of liquidity and efficiency in certain markets because of unusual market conditions, unusually high volumes of redemption requests and other factors, the Sub-funds may experience difficulties buying or selling securities in the portfolio. As a result, the Sub-funds may also encounter difficulties meeting the subscription and redemption deadlines outlined in this Prospectus. In such circumstances, the Management Company is entitled, in accordance with the SICAV's articles of association and in the interest of investors, to suspend subscriptions and redemptions, or extend the settlement period.

- ***Securities rated below investment grade or unrated securities***

The Management Company relies on the appraisal of credit risk by its teams and its own methodology.

Some Sub-funds may invest in unrated securities or in securities that have been rated below investment grade. Interest rate securities with a rating below investment grade are securities with a rating below BBB- (Standard & Poor's), Baa3 (Moody's Investors Service, Inc.) or BBB- (Fitch Ratings), or an equivalent rating in accordance with the Management Company's analysis, i.e. they are considered as offering low credit quality. Securities rated below investment grade and unrated securities may be subject to greater volatility and present a greater risk of investors losing their principal sum and interest compared to debt securities rated as investment grade.

- ***Zero-coupon securities***

Some Sub-funds may invest in zero-coupon securities issued by public and private issuers. Zero-coupon securities are negotiable debt securities that do not pay out regular interest but which are sold at a substantially reduced price compared to their maturity value. The value of these instruments tends to fluctuate more in response to interest rate fluctuations than the value of ordinary negotiable debt securities paying interest and offering a similar maturity. The longer the time until maturity, the higher the risk will be. As a holder of certain zero-coupon bonds, the Sub-funds concerned may be obliged to record the income from these securities before actually receiving the payment in cash. They may be obliged to distribute the income from these securities and may need to sell these securities under unfavourable circumstances to generate liquidity in order to meet these distribution requirements.

- ***Variation in inflation rates***

Some Sub-funds may invest in inflation-linked debt securities. The value of such securities will fluctuate according to the inflation rate of the corresponding geographical area.

- ***Liquidity risk***

Some Sub-funds acquire securities that are exclusively traded by a limited number of investors.
Given the limited number of investors for these securities, such Sub-funds may find it difficult to dispose of these securities quickly in unfavourable market conditions. Among the securities acquired by these Sub-funds, for which the number of investors is limited, are many derivatives and securities issued by entities with a considerable credit risk.

Some markets, in which certain Sub-funds may invest, may periodically prove to be insufficiently liquid or illiquid. This affects the market price of these securities and consequently affects their net asset value.

- ***Leverage risk***

Due to the use of financial derivatives, repurchase and reverse repurchase agreements and securities lending and borrowing transactions, some Sub-funds may be financed. For these Sub-funds, any market fluctuations may therefore be amplified and, consequently, the net asset value may fall to an even greater extent.

- ***Securitisation risk***

Mortgage-related securities and asset-backed securities

Some Sub-funds may invest in mortgage derivatives and structured bonds, including in mortgage-backed securities and asset-backed securities. Mortgage-backed securities are securities that hold a stake in "pools" of mortgages; any interest linked to the security and principal sum is usually paid monthly, with these monthly payments generally consisting of the monthly payments made by private borrowers to pay back the mortgage loans underlying the securities.

Any early or late repayment of the principal sum in relation to the repayment schedule that has been determined for the securities representing the mortgage debts held by a Sub-fund (due to the early or late repayment of the principal amount of the underlying mortgage loans) may reduce the yield when the Sub-fund reinvests the said principal amount. In addition, and as is generally the case with interest rate securities repayable in advance, if the Sub-fund has purchased the securities with a premium, any payment received in advance will reduce the value of the securities in relation to the premium paid.
When interest rates rise or fall, the value of the mortgage security will generally increase or decrease, though not to the same extent as other interest rate or fixed-term securities without any early redemption or repayment options.

Asset-backed securities represent a holding in, or are guaranteed by and payable by, a stream of payments generated by specific assets, most commonly made up of a "pool" of similar assets, such as automobile debts, credit card receivables, home equity loans, real-estate loans or bank-loan bonds.

Compared to many other types of debt securities, interest rate risk is the greatest risk for securities linked to mortgage loans and asset-backed securities, insofar as such securities are generally more sensitive to fluctuations *in interest rates. This type of security may involve early repayments – i.e. borrowers may repay their mortgages or loans earlier than expected – if interest rates fall. Consequently, when interest rates rise, the actual maturities of mortgage loans and asset-backed securities have a tendency to lengthen, and the value of the securities drops to a greater extent. Therefore, the Sub-fund generates lower returns, insofar as it is required to reinvest the assets previously invested in this type of security in other securities offering lower interest rates.*

- ***Risk of contingent convertible securities***

Certain Sub-funds may invest in contingent convertibles securities ("CoCos") which are debt securities that may be converted into the issuer's equity or be partly or wholly written off if a predefined trigger event occurs. Trigger events generally include the decrease in the issuer's capital ratio below a given threshold or the issue/issuer being subject to a regulatory action or decision by the responsible regulator in the issuer's home market. In addition to credit and changing interest rates risks that are common to debt securities, the conversion trigger activation may cause the value of the investment to fall more significantly than other most conventional debt securities which do not expose investors to this risk.

Investment in CoCos may entail the following risks (non-exhaustive list):

- ***Trigger level risk**: trigger levels differ and determine exposure to conversion risk depending on the capital ratio distance to the trigger level. It might be difficult for the Management Company or the Delegated Investment Manager(s) to anticipate the triggering events that would require the debt to convert into equity. Triggers are designed so that conversion occurs when the issuer faces a given crisis situation, as determined either by regulatory assessment or objective losses (e.g. measure of the issuer's core tier 1 prudential capital ratio).*
- ***Coupon cancellation:** coupon payments on some CoCos are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time. The cancellation of coupon payments on CoCos does not amount to an event of default.*
- ***Conversion risk:** it might be difficult for the Management Company or the Delegated Investment Manager(s) to assess how the securities will behave upon conversion. In case of conversion into equity, the Management Company or the Delegated Investment Manager(s) might be forced to sell these new equity shares because of the investment policy of the relevant Sub-Fund does not allow equity in its portfolio. This forced sale may itself lead to liquidity issue for these shares.*
- ***Capital structure inversion risk**: contrary to the classic capital hierarchy, investors in contingent convertible securities may suffer a loss of capital when equity holders do not, for example when the loss absorption mechanism of a high trigger/ write down of a contingent convertible security is activated.*
- ***Call extension risk**: CoCos are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority. It cannot be assumed that the perpetual CoCos will be called on call date and the investor may not receive return of principal on call date or indeed at any date.*
- ***Unknown risk**: the structure of the CoCos is innovative yet untested. When the underlying features of these instruments will be put to the test, it is uncertain how they will perform.*
- ***Yield/Valuation risk**: CoCos often offer attractive yield which may be viewed as a complexity premium. The value of contingent convertible securities may need to be reduced due to a higher risk of overvaluation of such asset class on the relevant eligible markets.*
- ***Specific sector**: insofar as investments are concentrated in a particular sector, investors investing in a Fund that invests in CoCos will be exposed to losses owing to adverse events affecting this sector.*
- ***Depreciation**: investment in CoCos may also lead to significant losses for the SICAV, since the debt security may suffer capital losses by reducing the nominal value ("depreciation") if certain trigger events occur. In this case, holders of contingent convertible debt securities will incur losses before holders of equities issued by the same issuer, unlike the classical order of capital structure hierarchy where holders of equities should incur losses before holders of debt securities.*
- ***Liquidity risk**: CoCos are also innovative financial instruments and their behaviour in a strained financial environment is therefore unknown. This increases uncertainty in the valuation of contingent convertible debt securities and the risks of potential price contagion and volatility for the entire asset class of contingent convertible securities. This may also lead to a certain level of market illiquidity, which may have a negative impact on the formation of prices and the transferability of instruments. In particular, finding a buyer for CoCos may prove difficult and the seller may have to accept a significant discount off the bond's expected value in order to sell it.*

- ***Counterparty risk***

One or several counterparties experienced in swap operations, foreign-exchange contracts or other types of contract may potentially fail to fulfil their obligations in relation to such swaps, foreign-exchange contracts or other contracts; consequently, the Sub-funds may not be able to deliver the performances expected from such

swaps, foreign-exchange contracts or other contracts.
In addition, if a counterparty is insolvent or defaults, a Sub-fund may only be able to recover, even regarding specifically traceable assets, part of all the assets made available for distribution purposes to all creditors and/or clients of the aforesaid counterparty. This amount may be lower than the amounts owed to the Sub-fund.

- ***Risk associated with derivative financial instruments***

A Sub-fund may engage in derivative transactions as part of its investment strategy for hedging purposes and in order to manage the portfolio effectively. These strategies currently include the use of listed instruments and over-the-counter derivative instruments.
A derivative instrument is a contract whose price depends on, or is derived from, one or more underlying assets. Include for example: futures contracts, over-the-counter contracts, options, warrants, swaps and convertible securities. The value of a derivative instrument is determined by the fluctuations of its underlying asset. Include for example: equities, bonds, currencies, interest rates and market indices.
The use of derivative instruments for investment purposes may be riskier for the Sub-fund than the use of derivative instruments exclusively for hedging purposes. These instruments are volatile and are subject to many types of risks, including, for example, market risk, liquidity risk, credit risk, counterparty risk, legal risk and operational risks.
Moreover, there may be an imperfect correlation between derivative instruments used as hedging vehicles and the investments or market sectors to be hedged against. This may lead to an imperfect hedging of such risks and a potential capital loss.
Most derivative instruments are characterised by a strong leverage effect.
The main risks associated with the use of derivative instruments as part of portfolio management are as follows:
● *higher market exposure for Sub-funds that use derivative instruments heavily;*
● *difficulty in determining if – and, if applicable, how – a derivative instrument will be correlated to market fluctuations and other factors that are external to this derivative instrument;*
● *difficulty in pricing a derivative instrument, especially if this derivative instrument is traded over the counter, or if the market for it is limited;*
● *difficulty for a Sub-fund, under some market circumstances, to acquire a derivative instrument necessary to meet its objectives;*
● *difficulty for a Sub-fund, under some market circumstances, to sell certain derivative instruments if they no longer meet their objectives.*

- ***Sustainability risk***

The Sub-fund is subject to sustainability risks as defined in Regulation 2019/2088 (Article 2(22)) as 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.

The portfolio's investment process includes the ESG approach in order to incorporate sustainability risks into the investment decision or process.

Further information on the framework for the incorporation of sustainability risks, defined by the Management Company, can be found in the Sustainability Risk Management Policy of the Management Company, available on its website.

- ***ESG-driven investments:***

When provided for in their appendices, certain Sub-funds may seek to implement all or part of their investment policy in accordance with the Delegated Investment Manager's environmental, social and governance criteria ("sustainable ESG criteria"). By using sustainable ESG criteria, the relevant Sub-fund's objective would specifically be to better manage risk and generate sustainable, long-term returns.
Sustainable ESG criteria may include, among others:

Environment: gas emissions, resource degradation, waste and pollution, deforestation, carbon footprint;

Social: working conditions, relationships with local communities, health and safety, relationships with employees, diversity considerations;

Governance: executive remuneration, corruption and subornation, political lobbying and gifts, fiscal strategy.

Sustainable ESG criteria may be generated using the Delegated Investment Manager's proprietary models, third-party models and data, or a combination of both. Such models mainly take into account the sustainable ESG scoring as well as other metrics integrated in and applicable to the models of the issuing companies. The Delegated

Investment Manager may also take into consideration case studies, the environmental impact associated with the issuers and company visits. Shareholders should note that assessment criteria may change over time or vary depending on the sector or industry in which the relevant issuer operates. Applying sustainable ESG criteria to the investment process may lead the Delegated Investment Manager to invest in or exclude securities for non-financial reasons, regardless of the market opportunities available, if they are assessed without taking into account sustainable ESG criteria.

Shareholders should note that ESG data received from third parties may be incomplete, inaccurate or unavailable from time to time. As a result, there is a risk that the Delegated Investment Manager may incorrectly assess a security or issuer, resulting in the incorrect direct or indirect inclusion or exclusion of a security in the portfolio of a Sub-fund.

In addition, the ESG principles which may be applied by the Delegated Investment Manager when determining a company's compliance with predefined sustainable ESG criteria are intentionally non-prescriptive, allowing for a diversity of solutions for ESG incorporation for each Sub-fund concerned. However, the flexibility also leads to potential confusion around the application of ESG criteria without a generally agreed framework for constructing such an investment strategy.

As a feeder fund, information on the Investment Manager's consideration of the main negative impacts of investment decisions on sustainability factors is provided in the prospectus of its master fund.

- ***TARGET SUBSCRIBERS AND TYPICAL INVESTOR PROFILE:***

The typical investor profile is as follows:

I units are primarily intended for institutional investors and corporations.
R units are intended for all subscribers, and more specifically for clients from distribution networks and individual subscribers.

The Fund is specifically intended for individuals and corporations wishing to take advantage of a bond portfolio managed with a medium-term perspective.
The minimum recommended investment period is two years.

Subscribers residing in the territory of the United States of America are not authorised to subscribe to this UCITS.

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

The appropriate amount to invest in this Fund will depend on the personal situation of each investor. To determine this amount, investors should consider their personal assets, the applicable regulations, their current and future financial needs over the recommended investment horizon, and the level of risk they are prepared to accept.
Investors are strongly advised to diversify their assets so that they are not exposed solely to the risks of this UCITS.
Moreover, investors wishing to subscribe to the shares of this UCITS should contact their usual advisor before subscribing to obtain information or advice tailored to their own personal situation.

- ***PROCEDURES FOR DETERMINING AND ALLOCATING DISTRIBUTABLE INCOME – ALLOCATION FREQUENCY***

R(C), I(C) and N(C) units are accumulation units. Distributable income is therefore accumulated.
I(D) units are distribution units. The income is therefore distributed annually and the net realised gains are accumulated.

- ***UNIT FEATURES:***

Units	ISIN code	Base currency	Share division	Initial net asset value	Tax provisions
R(C)	FR0011071778	EUR	Ten-thousandths	*Net asset value of NATIXIS EURO AGGREGATE SICAV as at 22 July 2011 (parity 1=1)*	None
N(C)	FR0013307634	EUR	Ten-thousandths	*€100*	None
I(C)	FR0011068642	EUR	Ten-thousandths	*Net asset value of NATIXIS EURO AGGREGATE SICAV as at 22 July 2011 (parity 1=1)*	None
I(D)	FR0011071273	EUR	Ten-thousandths	*Net asset value of NATIXIS EURO AGGREGATE SICAV as at 22 July 2011 (parity 1=1)*	None

- ***SUBSCRIPTION AND REDEMPTION PROCEDURES:***

Subscription and redemption orders are received by CACEIS BANK, whose registered office is located at 89-91 rue Gabriel Péri, 92120 Montrouge, France. Subscription and redemption orders cleared before 11:00 a.m. on each net asset value calculation date are executed on the basis of the next net asset value.

Orders are executed in accordance with the table below:

D	D	D: NAV calculation day	D + 1 business day	D + 2 business days	D + 2 business days
Clearing of subscription orders before 11:00*	Clearing of redemption orders before 11:00*	Execution of the order on D at the latest	Publication of the net asset value	Settlement of subscriptions*	Settlement of redemptions*

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

Units are divided into ten-thousandths of a unit.

Investors intending to subscribe to shares and shareholders wishing to redeem shares are invited to contact their usual marketing agent directly in order to obtain information on the deadlines for placing subscription and redemption orders, as these may be earlier than the clearing cut-off deadline stated above.

Investors are reminded that when sending instructions to marketing agents other than the organisations indicated above, they must take into account that the clearing cut-off deadline imposed by CACEIS BANK applies to these marketing agents. Consequently, these marketing agents may stipulate an earlier cut-off deadline that precedes the cut-off time mentioned above to allow instructions to be sent to CACEIS BANK in good time.

Redemption capping mechanism (gates mechanism):

In its prospectus, the Master sub-fund, OSTRUM SRI CREDIT SHORT DURATION from the NATIXIS AM FUNDS SICAV (the “Master fund”), sets out the possibility of triggering a gates mechanism, in the conditions defined hereafter.

In the event that the Master fund triggers the gates mechanism, your redemption orders will not be able to be executed for as long as this mechanism is active, as the Feeder fund cannot redeem the Master fund units.

<u>Reminder of the redemption carry-forward mechanism of the Master fund:</u>

If the total value of redemption requests received by the Registration and Transfer Agent, on any given day, corresponds to more than 5% of the net assets of a Sub-fund, the management company can postpone all or some of these redemption requests, and can also defer the payment of the redemption price for as long as it deems is in the interest of the Sub-fund and its shareholders. Any deferred redemption or deferred payment for the redemption product will be treated as a priority over any redemption requests received at a subsequent redemption date.

Redemption capping mechanism for the feeder fund:

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.

As a reminder, 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:

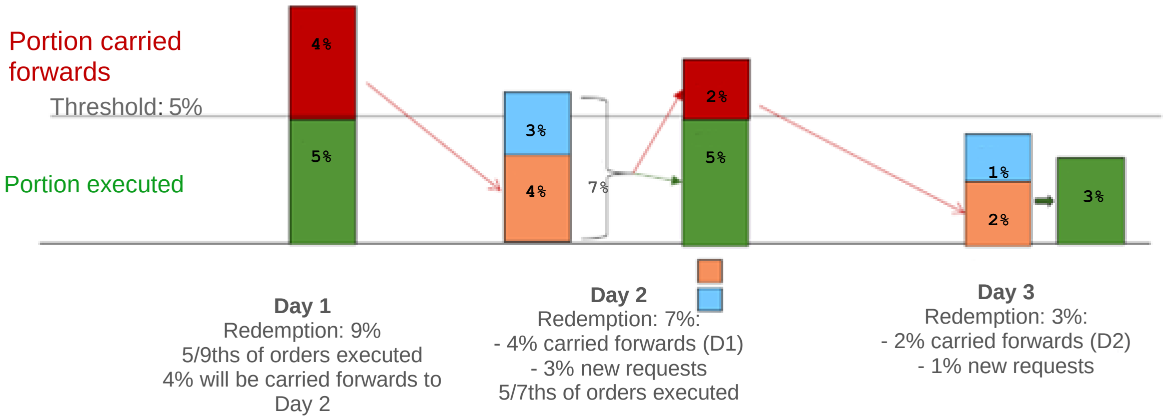
If a redemption capping mechanism is activated, unitholders will be informed by any means on the website: https://www.im.natixis.com/uk/home.

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 having requested a redemption from 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.

- ***DATE AND FREQUENCY OF NET ASSET VALUE CALCULATION:***

The net asset value is calculated on every full trading day both in Luxembourg and in France.

For the I unit, the minimum initial subscription is €100,000.
For the R unit, there is no minimum initial subscription.
For the N unit, there is no minimum initial subscription.

The net asset value can be obtained from the Management Company:

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

- ***FEES AND COMMISSIONS:***

Subscription and redemption fees:
Subscription and redemption fees increase the subscription price paid by the investor or reduce the redemption price. The fees charged by the UCITS serve to offset the charges it incurs when investing and divesting investors' holdings. Fees that are not paid to the Fund are paid to the Management Company, Promoter, etc.

Fees charged to the investor, payable at the time of subscription or redemption	Basis	Sliding rate scale
Maximum subscription fee payable to third parties [1]	net asset value × number of units	I unit: None R unit: 3% N unit: 3%
Subscription fee paid to the Fund	net asset value × number of units	None
Maximum redemption fee payable to third parties	net asset value × number of units	None
Redemption fee paid to the Fund	net asset value × number of units	None

[1] **Exception:**
- For the same unitholder, any redemption transaction followed by a subscription relating to the same net asset value and for the same number of shares

Addresses of the institutions appointed to receive subscriptions and redemptions:
CACEIS Bank: 89-91 rue Gabriel Péri, 92120 Montrouge, France.
FundsDLT: 7 avenue du Swing, L-4367 Belvaux, Grand Duchy of Luxembourg

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

Fees charged to the UCITS:

These charges cover:
- Financial management fees;
- Operating and other service expenses (statutory auditor, depositary, 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 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 from 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 UCITS:	Basis	Schedule rate
Financial management fees	Net assets	
Operating and service expenses	Net assets	
Maximum indirect charges (management fees and charges)	Net assets	0.25% incl. tax See below (Reminder of the charges and fees for the master)*
Transfer fees	None	None
Performance fee	None	None

<u>*Reminder of the charges and fees for the master:</u>

Management fees	*Administrative fees*	*Total charges*	*Maximum subscription fee*	*Maximum redemption fee*
0.15% p.a	*0.10% p.a*	***0.25% p.a***	*None*	*None*

III. COMMERCIAL INFORMATION

- ***PROVISION OF INFORMATION FOR SHAREHOLDERS CONCERNING THE UCITS:***

DISTRIBUTION OF THE PROSPECTUS AND ANNUAL AND INTERIM DOCUMENTS

• These documents will be sent to shareholders upon written request to:
Natixis Investment Managers International
Customer Service Department ("Services Clients")
43 Avenue Pierre Mendès France
75013 Paris
ClientServicingAM@natixis.com
The documents will be sent within eight business days.

• These documents are also available at www.im.natixis.com.

• Further information can be obtained from the offices of the marketing agents.

INFORMATION ON THE NET ASSET VALUE

The net asset value can be obtained from Natixis Investment Managers International, from the offices of the marketing agents and online at www.im.natixis.com.

COMMERCIAL DOCUMENTATION

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

The information documents relating to the master fund, OSTRUM SRI CREDIT SHORT DURATION, governed by Luxembourg law and approved by the Luxembourg financial regulator, the CSSF (*Commission de Surveillance du Secteur Financier*), are available from:

Natixis Investment Managers International
Customer Service Department ("Services Clients")
43 Avenue Pierre Mendès France
75013 Paris
ClientServicingAM@natixis.com
The documents will be sent within eight business days.

INTERNAL CODE OF CONDUCT REGARDING DISCLOSURES RELATING TO THE MASTER FUND AND ITS FEEDER FUND.

Natixis Investment Managers International is the Management Company of both the feeder fund and the master fund; it has established an internal code of conduct regarding disclosures in order to guarantee that the feeder fund is compliant with its regulatory obligations. These internal rules of conduct relate, among others, to the information required to draft the regulatory reports of the funds, to exchanging information in relation to the prospectus and KIIDs of the funds following any changes, as well as to certain terms and conditions for subscriptions and redemptions.

INFORMATION IN THE EVENT OF AN AMENDMENT TO FUND OPERATIONS

Shareholders are informed of any changes concerning the Fund in line with the procedures drawn up by the AMF.
If applicable, this information may be provided by Euroclear France and its associated financial intermediaries.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CRITERIA:

Information on the procedure for incorporating criteria relating to social, environmental and governance (ESG) quality objectives can be found in the annual reports of the relevant UCITS and on the Management Company's website.

IV. INVESTMENT RULES

At least 85% of the Fund’s assets are permanently invested in the SI/D share class of “OSTRUM SRI CREDIT SHORT DURATION” (the “master”), a sub-fund of Natixis AM Funds, a SICAV governed by Luxembourg law.

V. OVERALL RISK

Global Risk Exposure of the master sub-fund is managed using the “commitment approach” described in the “Use of Derivatives, Special Investment Techniques and Hedging” – “Global Risk Exposure” section.

The calculation method used by the feeder fund is the commitment method.

VI. ASSET VALUATION AND ACCOUNTING RULES

The securities held in the feeder fund's portfolio are valued on the most recent net asset value of the master sub-fund, OSTRUM SRI CREDIT SHORT DURATION – SI/D class shares (LU1118011771).

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

Purchases and sales of securities are recorded exclusive of charges.

The option chosen for the recognition of income is the accrued coupon method.

Income is made up of:

- income from securities,
- dividends and interest received at the foreign currency exchange rate, for foreign securities,
- income from securities lending and repurchases and other investments.

The following sums are deducted from this income:

- management fees,
- financial expenses and charges applicable to the lending and borrowing of securities and other investments.

VII. REMUNERATION

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

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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

Product name: Ostrum SRI Credit Euro 1-3
Legal entity identifier: 969500F69I8HDN1A0650

Environmental and/or social characteristics

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.

Does this financial product have a sustainable investment objective?	
☐ Yes	☒ No
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	X It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 5% 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	X with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	X 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 to maintain a higher ESG rating than that of its post-filter investment universe (as defined below) while avoiding issuers based on the sectoral and exclusion policies, including the worst offenders in terms of core standards of responsibility.

The post-filter investment universe (the "**post-filter investment universe**") is defined as the initial investment universe (loans denominated in euros) from which the following are excluded:

- 20% of the issuers with the lowest ESG ratings within each issuer category (including the most controversial issuers according to Ostrum's sectoral and exclusion policies, as well as the lowest-rated issuers); and
- sovereign debt.

In addition, the intensity of the Fund's GHG emissions must be lower than that of its investment universe.

These calculations exclude ineligible assets as defined by the French SRI label.

No Reference Benchmark has been designated with the aim of attaining the environmental and 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?

- The Fund’s average ESG rating
- The post-filter investment universe’s average ESG rating[1]
- The intensity of the Fund’s GHG emissions
- The GHG intensity of the investment universe

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 investments that enable funds to be raised for activities contributing to an environmental or social objective based on the financed project. They include green bonds, social bonds and bonds linked to the Fund’s sustainable development.

The sustainable investment objectives are as follows:

Green bonds, which finance projects driving an energy and ecological transition

- Renewable energy
- Energy efficiency
- Pollution prevention and control
- Sustainable environmental management of living natural resources and land use etc.

Social bonds, which finance projects aimed at solving or mitigating social impacts

- Affordable basic infrastructure (drinking water, sanitation etc.)
- Access to essential services (healthcare, housing, education, training)
- Job creation, food security, access to digital technology

Bonds linked to sustainable development, which finance the general needs of companies that are working towards ambitious corporate social responsibility policies. These bonds are based on predefined key performance indicators and sustainable objectives.

[1]These calculations exclude ineligible assets as defined by the French SRI label guidelines.

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?

The Delegated Investment Manager takes into account all principal adverse impacts (PAI) on a quantitative basis. By taking into account the PAI indicators, the Delegated Investment Manager can ensure that sustainable investments do not harm other objectives. In addition, the Delegated Investment Manager applies its exclusion policies (in particular, the exclusion of the worst offenders) and constantly monitors controversies.

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

The PAIs relating to the funds managed by Ostrum Asset Management, the Delegated Investment Manager, are taken into account at several levels in accordance with the methodology published on the Ostrum Asset Management website https://www.ostrum.com/en/our-csr-and-esg-publication and summarised below:

1. Origin of the principal adverse impact indicators (PAI):
   Each PAI (mandatory and optional) is calculated using data supplied by the data provider MSCI ESG Research at both the issuer and portfolio level.

2. Human rights-related ESG indicators and ESG ratings supplied by external data providers
   The Delegated Investment Manager takes into account PAIs (principal adverse impacts on sustainability factors) corresponding to indicators monitored by the Fund by integrating these PAIs into the rating methodology or establishing a fund-specific investment restriction.
   For example, the intensity of the Fund's GHG emissions is monitored and must be lower than that of its investment universe (these calculations exclude ineligible assets as defined by the French SRI label).

3. Sectoral and exclusion policies
   The Delegated Investment Manager's sectoral and exclusion policies mean that any sector or issuer that does not comply with given criteria, some of which are directly linked to certain PAIs (for example, the exclusion of coal is linked to GHG emissions), can be withdrawn from the investment universe.

4. Engagement policy and campaigns
   The Delegated Investment Manager uses its engagement policy and campaigns to try to encourage companies to mitigate the negative impact of their investment decisions on environmental, social, human rights and anti-corruption issues.

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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 Investment Manager applies its exclusion policies (in particular relating to the worst offenders) and constantly monitors controversies.

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

All compulsory PAI indicators are taken into account. The methodology is available on the Ostrum Asset Management website at https://www.ostrum.com/en/our-csr-and-esg-publications

The Delegated Investment Manager takes into account PAIs (principal adverse impacts on sustainability factors) corresponding to indicators monitored by the Fund by integrating these PAIs into the rating methodology or establishing a fund-specific investment restriction.

For example, the intensity of the Fund's GHG emissions is monitored and must be lower than that of its investment universe.

Furthermore, the Delegated Investment Manager applies sectoral and exclusion policies that mean that any sector or issuer that does not comply with given criteria, some of which are directly linked to PAIs (for example, the exclusion of coal is linked to GHG emissions), can be withdrawn from the investment universe.

Further information on the principal adverse impacts on the sustainability factors is available in the interim reports pursuant to Article 11(2) of the SFDR Regulation.

☐ No

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

What investment strategy does this financial product follow?

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

1) Application of a list of exclusions

The Fund is required to apply sectoral and exclusion policies against:

Controversial weapons;

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

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

The worst offenders;

Exclusion of issuers that do not meet certain fundamental criteria;

Blacklisted states;

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

Oil & gas;

2022: end of new investments in companies where more than 10% of production is related to unconventional or controversial oil and gas activities.

By 2023: complete exit from unconventional and/or controversial oil and gas exploration and production.

Tobacco;

Exclusion of tobacco manufacturers and producers;

The sectoral and exclusion policies of the Investment Manager are described in more detail on its website: www.ostrum.com.

2) Integration of ESG factors into our research

After having excluded the most controversial issuers from the investment universe, the investment teams systematically assess, for each underlying issuer, whether non-financial factors have an impact on the issuer's credit risk profile, both in terms of risk and opportunity, as well as their likelihood of occurrence. Non-financial factors are therefore systematically taken into account when assessing risks and conducting a fundamental analysis of private and public issuers.

The Delegated Investment Manager then analyses a set of quantitative and qualitative indicators relating to environmental, social and governance criteria. The following examples are provided for information purposes only.

External suppliers' ESG ratings are used to assess the investment universe made up of private issuers.

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

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

Several criteria are identified for each pillar and monitored through indicators collected from non-financial rating agencies. Lastly, the Delegated Investment Manager remains the sole judge of the issuer's non-financial quality, which is expressed in the form of a final rating of between 1 and 10, with an SRI rating equal to 1 representing high non-financial quality, whereas 10 represents low non-financial quality.

3) Application of an SRI selection process to the Fund

The Fund adopts an SRI process based on the "average rating" method. This method aims to ensure that the Fund's average ESG rating is never lower than that of its post-filter investment universe (as defined above).

External suppliers' ESG ratings are used to assess the investment universe made up of private issuers.

For each of the following pillars, the Delegated Investment Manager has also defined: Environment, Social, Governance and Human Rights, a specific indicator that will be evaluated and compared between the Fund and the post-filter investment universe. Detailed information on indicators is presented in the Fund's "Code of Transparency", available on the website of the Delegated Investment Manager on the Fund page.

In addition, the intensity of the Fund's GHG emissions must be lower than that of its investment universe.

These calculations exclude ineligible assets as defined by the French SRI label.

Limitations of the selected approach: The Fund's SRI approach may result in under-representation of certain countries due to a poor ESG rating or due to the sector and exclusion policy applied by the Delegated Investment Manager.

At least 90% of the portfolio's net assets is made up of SRI-labelled assets (according to the definition of the French SRI label) that have an ESG rating.

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

- The Fund maintains an average ESG rating higher than that of its post-filter investment universe[2].
- The Fund maintains an intensity of GHG emissions lower than that of its investment universe. [3]
- No target investment must infringe the sectoral and exclusion policies.

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?

There is no committed minimum rate to reduce the scope of the investments considered.

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

The Delegated Investment Manager applies its exclusion policies (in particular, the exclusion of the worst offenders) and constantly monitors controversies. Moreover, the Delegated Investment Manager, in the scope of the responsible management pillar forming part of the investment strategy, will assess the organisation and effectiveness of powers within each issuer (e.g. for companies, assessing the balance of power, executive remuneration, business ethics or tax practices).

Ostrum Asset Management takes governance practices into account in its analysis and when selecting issuers.

1. The "worst offenders" policy that excludes all companies in serious breach of the main principles of internationally established standards (United Nations, OECD), in particular with regard to aspects of governance such as

[2] These calculations exclude ineligible assets as defined by the French SRI label.
[3] These calculations exclude ineligible assets as defined by the French SRI label.

labour rights, and/or business ethics (corruption etc.).

The "worst offenders" policy is outlined on the Delegated Investment Manager's website (https://www.ostrum.com/en/our-sector-policies).

2. Credit analysis, which includes a calculation of the ESG materiality score specific to each private issuer in order to determine the possible impacts on the company's risk profile.

3. The ESG ratings of companies are taken into account by managers in their selection of securities (responsible corporate governance is one of the four pillars of the rating methodology used).

The "Responsible governance" pillar aims to assess the organisation and effectiveness of powers within each issuer (e.g. for companies, assessing the balance of power, executive remuneration, business ethics or tax practices).

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

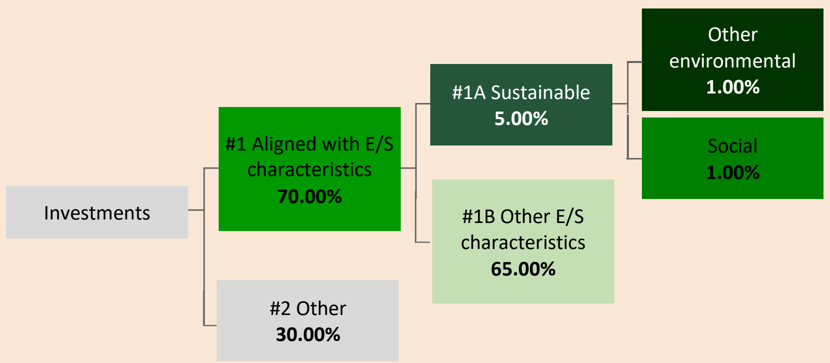
Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

The Fund should invest at least 70% of its NAV in investments that meet E/S characteristics (#1 Aligned with E/S characteristics).

The Fund is authorised to invest at least 5% of its NAV in sustainable investments.

The Fund can invest at most 30% of its NAV in investments that do not meet E/S characteristics (#2 Other).



#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.

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.

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.

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

Derivatives are not used to attain 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?

N/A

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[4]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

[4] 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.

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

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

Transitional activities are activities for which low-carbon alternatives are not yet available and 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. Taxonomy-alignment of investments **including sovereign bonds***

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

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

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

This graph represents 100% of the total investments.

Since the Fund is not committed to undertaking sustainable investments aligned with the EU taxonomy, the proportion of sovereign bonds in the Fund's portfolio will not affect the proportion of sustainable investments aligned with the EU taxonomy included in the graph.

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

N/A

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

The Fund undertakes to invest a minimum of 1% in sustainable investments with an environmental objective. These investments may be aligned with the EU Taxonomy Regulation, but the Delegated Investment Manager is currently unable to specify the exact proportion of the Fund's underlying investments that take into account the EU criteria for environmentally sustainable economic activities. However, this position is kept under constant review as the underlying rules are finalised and availability of reliable data increases.

What is the minimum share of socially sustainable investments?

The Fund undertakes to invest a minimum of 1% in socially sustainable investments.

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

The following investments were included in the “#2 Other” category: sovereign debt, assets that do not have an ESG rating, liquid funds (excluding uninvested liquid assets), the proportion of UCIs not aligned with E/S characteristics, derivatives traded on regulated markets or OTC for hedging and/or exposure, transactions involving repurchase and reverse repurchase agreements for the cash management and income optimisation and performance of the Fund. Information on the list of asset classes and financial instruments and their use is available in the Prospectus. Minimum environmental or social safeguards are not systematically applied.

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

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

N/A

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

  N/A

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

  N/A

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

  N/A

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

  N/A

Where can I find more product-specific information online?

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

https://www.im.natixis.com/intl/intl-fund-documents