

## OSTRUM SRI CROSSOVER

(Fund with unit classes: I unit, I-NPF unit, L unit and GP unit)

Prospectus as at 26 March 2024

### I – General characteristics

- **Name:** OSTRUM SRI CROSSOVER.

Hereinafter referred to in this document as the “Fund”.

- **Legal form and Member State in which the UCITS was established:**

French mutual fund, established in France

- **Inception date and expected term:**

The Fund, approved by the French Financial Markets Authority (AMF) on 27 November 2012, was created on 6 December 2012 for a term of 99 years.

- **Fund overview:**

Unit classes	Features							
	ISIN code	Allocation of distributable income	Base currency	Target investors	Minimum recommended investment period	Minimum initial subscription	Minimum subsequent investment	Initial net asset value
I unit	FR0011350677	Accumulation and/or distribution (and/or retained); possibility of interim dividend distribution	EUR	All subscribers, specifically legal entities	3 years	€1,000,000*	None	€10,000
I-NPF unit	FR001400N6G2			All subscribers, specifically legal entities		€1,000,000*		€10,000
L unit	FR0011350685			All subscribers, specifically legal entities and individuals		1 unit		€1,000
GP unit	FR0013241023			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 exclusively paid by their clients		None		€100

\* With the exception of the management company for which there is no minimum initial subscription.

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

Natixis Investment Managers International  
43 avenue Pierre Mendès France  
75013 Paris, France

Email: ClientServicingAM@natixis.com

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

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

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

- **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 sole purpose of calculating regulatory requirements under Directive 2009/138/EC (Solvency II).

- **Other documents made available:**

The management company's voting policy may be viewed at the registered office of the management company or at [www.im.natixis.com](http://www.im.natixis.com)

## **II - Parties involved**

- **Management company:**

### **NATIXIS INVESTMENT MANAGERS INTERNATIONAL**

Legal form: société anonyme (public limited company)

Approved by the Autorité des Marchés Financiers (the French financial markets authority), hereinafter referred to as the "AMF", under number GP 90-009

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 and has the exclusive right to exercise the voting rights attached to the securities held in the Fund.

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

- **Intermediary:**

### **NATIXIS TRADEX SOLUTIONS:**

Legal form: société anonyme (public limited company)

Authorised by the ACPR on 23 July 2009 as a bank providing investment services

59 avenue Pierre Mendès France

75013 Paris, France

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

- **Depositary and custodian 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

CACEIS Bank is entrusted with the custody of the Fund's assets, verifying the regularity of the management company's decisions, and liability accounting (clearing of subscription and redemption orders for units and managing the associated issuer 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 the UCI's 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](http://www.caceis.com). Updated information is available to investors upon request from CACEIS Bank.

- **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 by investors via the Natixis IM customer portal:

FundsDLT

Legal form: company incorporated in Luxembourg

7 avenue du Swing, L-4367 Belvaux, Grand Duchy of Luxembourg

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

- **Statutory auditor:**

MAZARS

*société anonyme* (public limited company)

IMMEUBLE LE VINCI, 4 ALLEE DE L'ARCHE, 92075 LA DEFENSE CEDEX, FRANCE

Signatory: Mr Gilles Dunand-Roux

- **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 management company of the Fund would like to remind subscribers that not all marketing agents are appointed by or known to it insofar as the units of the Fund 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 management:**

##### **CACEIS FUND ADMINISTRATION**

*Société anonyme* (public limited company)

Registered office: 89–91 rue Gabriel Péri - 92120 Montrouge, France

The party responsible for accounting performs the accounting and net asset value calculation functions.

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. The units are listed on Euroclear France.
- Voting rights: no voting rights are attached to the units; decisions are taken by the management company.
- Type of units: the units are issued in bearer or registered form.
- Decimalisation: Subscriptions and redemptions may be made in the amount or number of units, divided into hundred-thousandths.

- **Financial year-end:**

Last day of calculation of the net asset value in December. The first financial year will end in December 2013.

- **Information on the taxation system:**

The Fund is not subject to corporation tax, but any dividends or capital gains or losses related to the holding of Fund units may be subject to taxation. The tax system applicable to amounts distributed by the Fund or to its realised or unrealised capital gains or losses depends on the tax provisions applicable to the investor's specific situation and/or the jurisdiction in which the Fund is invested. In case of uncertainty about their tax situation, investors are advised to contact the marketing agent or their tax advisor.

#### III-2 Special provisions:

- **ISIN codes:**

I unit: FR0011350677

I-NPF unit: FR001400N6G2

L unit: FR0011350685

GP unit: FR0013241023

- **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.

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

- **Management objective:**

The Fund has two management objectives:

- To seek to outperform the benchmark index (50% Bloomberg Euro Aggregate 500 MM Corporate coupons reinvested, with a maturity of < 5 years and a rating of Baa1 to Baa3 + 50% Bloomberg Euro High Yield coupons reinvested, with a maturity of < 3 years and a rating of Ba1 to Ba3) over the recommended investment period of at least three years by taking advantage of opportunities in the investment universe made up of securities whose ratings by the main rating agencies (Standard & Poor's, Moody's, Fitch etc.) are mainly in the speculative (BB+ to BB-/Ba1 to Ba3) and investment (BBB+ to BBB-/Baa1 to Baa3) categories, in accordance with the Basel method, and
- To implement 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.

<p><b>The pre-contractual disclosures on the environmental or social characteristics of this Fund, required by Regulations (EU) 2019/2088 "SFDR" and (EU) 2020/852 "TAXONOMY", are appended to this prospectus.</b></p>
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- **Benchmark:**

The benchmark is the composite indicator consisting of:

- 50% Bloomberg Euro Aggregate 500 MM Corporate index, calculated (coupons reinvested), composed of private issues denominated in euro, with a capitalisation of more than €500 million, a maturity of  $\leq 5$  years and a rating of Baa1 to Baa3, and
- 50% Bloomberg Euro High Yield index, calculated (coupons reinvested), composed of fixed-rate corporate bonds with so-called speculative ratings, denominated in euro and regularly listed, with a maturity of  $\leq 3$  years and a rating of Ba1 to Ba3.

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

The benchmark is used by the Fund within the meaning of Regulation (EU) 2016/1011 of the European Parliament and of the Council.

The administrator of the indexes making up the benchmark is Bloomberg Index Services Ltd (BISL). The benchmark administrator is not yet recorded on the register of administrators and reference indices held by ESMA. Further information on the benchmark is available at the following website: <https://www.bloombergindices.com>.

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

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

- **Investment strategy:**

**Strategies employed**

In order to achieve this dual management objective, the portfolio is built in two stages: the first stage consists of analysing a universe of securities based on socially responsible investment (SRI) criteria, and the second stage aims to select securities according to their financial and non-financial characteristics.

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

Although government securities are subject to ESG assessment, the results of the assessment are not measurably reflected in the SRI strategy described below. These government securities may represent up to 25% of the net assets of the Fund.

The initial investment universe includes private or quasi-public entities from the OECD zone, rated "Investment Grade" or "High Yield" with a rating equal to or higher than "B-", according to the main existing agencies such as Standard&Poor's, Moody's, Fitch, and issuing negotiable debt securities and/or bonds, denominated in euro.

From the initial investment universe, so-called "prohibited" securities are excluded, identified by the exclusion committee, which establishes the management company's exclusion list after analysing controversies or allegations, defined in particular as severe, systematic and uncorrected violations of rights or environmental damage. The exclusion list also includes controversial sectors, such as tobacco. The eligible investment universe is therefore defined as the initial investment universe minus the prohibited securities.

The analysis of the eligible universe is based on a proprietary tool of La Banque Postale Asset Management with multiple non-financial rating sources made available to the delegated financial manager. The analysis of social, environmental and governance criteria is carried out according to a methodology specific to the delegated financial manager. The non-financial rating of issuers, which applies to all asset classes, is based on 4 pillars allowing for a pragmatic and differentiating analysis:

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

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

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

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

Several criteria are identified for each pillar and monitored through indicators collected from non-financial rating agencies.

Ultimately, the management company is the sole judge of the non-financial quality of the issuer, which is expressed in a final rating of between 1 and 10, with the SRI score of 1 representing high non-financial quality and 10 representing low extra-financial quality.

## 2. After analysing the investment universe described above, the management company selects securities according to their financial and non-financial characteristics.

The Fund's investment strategy consists of managing a portfolio of debt securities and money market instruments from private and public issuers, including convertible bonds, whose ratings, attributed by each of the recognised rating agencies (Standard&Poor's, Moody's, Fitch etc.) that have rated the security, are mostly in the speculative (BB+ to BB-/Ba1 to Ba3) and investment (BBB+ to BBB-/Baa1 to Baa3) categories in application of the Basel method explained below.

The Fund may invest in securities with a rating higher than BBB+.

The investment strategy of the Fund takes advantage of several sources of added value:

- selection of issuers and investment sectors based on the management teams' micro and macroeconomic analyses;
- active management of exposure to issuer risk through the use of single-issuer CDS, mainly for exposure and, on an ancillary basis, to hedge a bond security; occasional adjustment of the portfolio's credit exposure, particularly in order to meet subscription and redemption requests, through the use of index CDS for a negligible proportion of net assets;
- dynamisation through investment in convertible bonds to generate capital gains;
- management of the overall modified duration of the portfolio and control of its distribution by maturity. The modified duration of the portfolio will remain within the range [0; 4].

The management company seeks to select fixed-income securities denominated in euro, issued by companies or governments (within the limit of 25% of the net assets), which are:

- either "speculative" (rated below BBB-/Baa3) and likely to be reclassified as "investment";
- or investment grade (rating of BBB-/Baa3 or higher) but with a level of yield close to that of a speculative security;
- or "investment" with a risk of downgrading below BBB-/Baa3;
- or not rated by a rating agency, as a complement to achieve the management objective.

For State securities:

Investments in State securities are made on the basis of internal analyses of the financial and non-financial quality of issuers. These are based on analyses by macro-economic strategists, financial analysts and SRI analysts.

For private and quasi-public issuers:

The construction of the portfolio thus results in an average SRI rating that is better than the average SRI rating of the initial investment universe after eliminating 20% of the worst securities (including the following two filters: exclusion committee and non-financial rating). All securities in the initial investment universe (excluding prohibited securities, validated by the exclusion committee) are therefore eligible for the Fund, provided that the average SRI score of the Fund respects the above condition.

With this approach to the average score of the investment universe, the management company implements the SRI strategy of the portfolio.

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 for interest rates		0	4
Geographical region of security issuers	OECD issuers	75%	110%
	Issuers from outside the OECD	10% maximum	
Security currency	EUR	75%	110%
	Other currencies (not euro)	10% maximum	

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

### Techniques and instruments used

#### **Assets (excluding embedded derivatives)**

##### Debt securities and money-market instruments

The Fund is mainly invested in debt securities and money market instruments denominated in euro (fixed rate, floating rate, adjustable rate or indexed securities). These securities are issued by the private sector

Up to 25% of the net assets, these securities may be securities issued or guaranteed by States.

Issuer type	Authorised
Private issuers	75% minimum
Sovereign issuers and/or guaranteed securities	25% maximum

The Fund may invest up to 10% of its net assets in securities denominated in a currency of an OECD member country other than the euro. Exposure to currency risk is systematically hedged.

The selection of debt securities is not automatically and exclusively based on the ratings provided by the rating agencies but is also based on an internal analysis of the credit risk. Securities are selected according to their risk/return profile (profitability, credit, liquidity, maturity).

These securities will have ratings from the main existing agencies (Standard&Poor's, Moody's, Fitch etc.) mainly in the speculative (BB+ to BB-/Ba1 to Ba3) and investment (BBB+ to BBB-/Baa1 to Baa3) categories, 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 management company shall retain (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 ratings 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).

Speculative securities (ratings below BBB-/Baa3) may represent up to 60% of the net assets.

According to the same methodology, the Fund may also invest up to 10% of the net assets in securities rated B+ to B-/B1 to B3. These securities are authorised for investment and not only in the event of a downgrade.

Securities rated below B-/B3 are not permitted.

In the event of a downgrade of one or more of the selected securities, the security(s) concerned will be sold as soon as possible, taking into account the interests of the holders.

The Fund may also invest up to 50% of its net assets in unrated securities. These unrated securities must have a minimum internal rating of BB-/Ba3 assigned by the management company based in particular on the Standard&Poor's and Moody's approaches for evaluating unrated issuers.

In the absence of a rating for the issue, the issuer's or guarantor's rating may be used as a substitute, incorporating the subordination level of the issue if necessary.

The sale of a debt security is not based exclusively on the criterion of its ratings and is also based on an internal analysis of credit risks and market conditions

The Fund may also invest in contingent convertible bonds (known as "CoCos" or "Additional Tier 1") up to a limit of 10% of the net assets. These are hybrid securities, as they combine bond and share characteristics. They have a back-up mechanism that converts them into ordinary shares or reduces their capital in case of triggering events that are usually contractually defined. They may offer a higher yield (in return for a higher risk) than conventional bonds, due to their specific structuring and the place they occupy in the capital structure of the issuer (subordinated debt, repaid after senior debt). In the event of conversion into shares, the Fund may hold shares up to a limit of 10% of the net assets.

#### - 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<sup>1</sup>), 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 R214-13 of the French Monetary and Financial Code.

These UCIs may be specialised in management strategies which the Fund does not use as part of its investment strategy. This diversification will remain incidental and is intended to create added value within a controlled risk framework.

The Fund reserves the right to acquire units or shares of UCITS 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.

If these are not internal UCIs, there may be disparities in the SRI approach between those adopted by the management company of the Fund and those adopted by the management company managing the selected external UCIs. Furthermore, these UCIs will not necessarily have an SRI approach. In any event, the management company of the Fund will favour the selection of UCIs with an SRI approach compatible with its own philosophy.

#### **Derivative financial instruments**

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

<sup>1</sup> Funds and UCITS 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.

- Interest rate futures and options or futures and options on interest rate indices (EONIA/EURIBOR) on French and/or foreign regulated or organised markets, or over-the-counter markets and over-the-counter 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 0 and 4, to implement strategies on curve movements by arbitrating maturities within the Eurozone rate curve and/or between the rate curves of EMU and non-EMU countries.
- Credit derivatives: Credit Default Swap on index: these instruments will be used on an ancillary basis to provide temporary protection and/or exposure by taking long or short positions.  
Single-name credit default swaps (CDS): The Fund may invest in single-name CDSs. The purchase of single-name CDS is possible for hedging purposes. Long positions in single-name CDSs, without holding the corresponding security, is not permitted in the Fund. Exposure via the sale of single-name CDSs is possible provided that the ESG strategy of the portfolio is respected.
- Between 90 and 100% of the notional CDSs invested must be on OECD issuers. CDSs on Itraxx/CDX indices will be used, for a negligible proportion of the net assets, on an ad hoc basis in order to adjust the credit exposure of the Fund's portfolio, particularly to meet subscription and redemption requests.
- Total Return Swaps (TRS) to exchange the performance between a monetary index and a benchmark index, e.g. a representative credit market index, for hedging purposes and/or as temporary exposure. The Fund may use TRSs for a maximum of 100% of the net assets.
- Futures and options on equities or equity indices (Eurostoxx 50) on French and/or foreign regulated or organised markets, or over-the-counter markets and over-the-counter equity swaps for the purpose of hedging or gaining exposure to equities or equity indices: these instruments will be used to hedge the equity risk on one or more securities.
- Foreign exchange futures and options on French and/or foreign regulated or organised markets, or over-the-counter and forward foreign exchange futures and options for currency hedging purposes: these instruments will be used in particular to hedge the currency risk on the portfolio.
- Index swaps, including equity market volatility indices (VIX (S&P) and V2X (Eurostoxx 50) indices), for interest rate hedging and exposure, equity and currency hedging purposes: these instruments will be used to hedge the risk linked to the indicator on the portfolio or on one or several securities in particular, to increase the portfolio's exposure (on interest rates only).

The indices underlying these instruments are rebalanced at a frequency of (i) at least every six months, in particular for CDS on Itraxx/CDX indices, and (ii) every day for VIX and V2X indices, without any significant cost for the Fund's portfolio.

The implementation of these strategies depends on the context of the financial markets and the value of the assets in the portfolio, and is intended to hedge the portfolio against financial risks and to expose it.

The use of derivatives may generate an overexposure of the Fund to bonds which may not exceed 100% of the exposure of the indicator and within the limit of a maximum leverage effect of 2.

#### **Securities with embedded derivatives**

In order 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 exchangeable or redeemable for shares, contingent convertible bonds), on interest rates, equities, credit, indices or currencies.

In addition, the Fund may also invest in callable and puttable bonds up to a limit of 110% of net assets.

#### **Cash deposits**

In order to achieve its management objective, and in particular as part of its cash management, the Fund reserves the right to invest in deposits, up to a limit of 100% of its net assets.

#### **Cash borrowings**

The Fund may borrow up to 10% of its assets in cash to meet its cash flow requirements (ongoing investments and divestments, subscriptions/redemptions, etc.).

#### **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 50% maximum 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 UCI and therefore to contribute to its performance. Furthermore, the UCI may enter into reverse repurchase agreements as part of the reinvestment of cash collateral and/or into repurchase agreements to meet liquidity needs.

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

#### **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](http://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/counterparties does/do not have any discretionary decision-making powers over the composition or management of the UCITS’ investment portfolio or the assets 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 prudential 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 about the Delegated Investment Manager’s consideration of the principal adverse impacts of this Fund can be found in the pre-contractual disclosures on environmental or social characteristics appended to this prospectus and in the Fund’s annual report pursuant to 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 disclosures on environmental or social characteristics appended to this prospectus.

- **Risk profile:**

The Fund is classified under “Bonds and other debt securities denominated in euros” fund. 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 significantly.
- Credit risk: in the event of a default or deterioration in the quality of issuers, for example a downgrading by 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 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. Thus, the use of “high yield securities” (securities with a higher risk of default and higher volatility) may result in a significant decrease in the net asset value.
- Liquidity risk: as the Fund invests in “high yield” securities in particular, trading volumes may be reduced from time to time under certain market conditions. This may result in wider trading spreads.
- Risk linked to the commitment to forward financial instruments: the strategies implemented via forward financial instruments are based on the expectations of the management team. If the markets do not evolve in line with the strategies implemented, this could lead to a fall in the net asset value of the Fund.
- Discretionary management risk: the discretionary management style applied to the Fund is based on the selection of debt securities and bonds. There is a risk that the Fund may not be invested in the best-performing securities at all times. The Fund’s performance may therefore be lower than the management objective. The Fund’s net asset value may also record a negative performance.
- Risk of capital loss: the Fund offers no guarantee or protection, so you may not get back the full amount of your initial investment.
- Sustainability risk: this Fund is subject to sustainability risks as defined in Article 2(22) of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (“SFDR Regulation”), which establishes “sustainability risk” to mean 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.

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 management company’s website.

The ancillary risks associated with the investments and techniques used are:

- Counterparty risk linked to the use of over-the-counter products (derivatives) or to the risk 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 negotiated. This risk may result in a decrease in the net asset value of the fund.

In addition to the counterparty risk presented above, the risks associated with temporary acquisitions and sales of securities and total return swaps may include liquidity, legal (risk of inadequate drafting of contracts concluded with the counterparties) and operational (settlement and delivery risk) risks and, where applicable, risks associated with the reuse of cash collateral (i.e. mainly the risk that the Fund may not be able to reimburse the counterparty).

- Equity risk: this is the risk of a decrease in the net asset value of the Fund linked to changes in the equity markets, which may affect the valuation of hybrid securities (convertible bonds or contingent convertible bonds known as “CoCos”) held in the Fund or shares held by the Fund following the conversion of these hybrid securities. Thus, if the equity markets to which the portfolio is exposed fall, the net asset value of the Fund may fall. This risk is limited insofar as the equity risk exposure of the Fund is a maximum of 10%.

- Risk associated with temporary purchases and sales of securities, total return swaps (TRS) and the management of collateral: Temporary purchases and sales of securities and total return swaps (TRS) are likely to create risks for the Fund, such as the counterparty risk defined above. The management of collateral may create risks for the Fund, such as liquidity risk (i.e. the risk that a security received as collateral is not sufficiently liquid and cannot be sold quickly in the event that the counterparty defaults), and, where applicable, risks related to the reuse of cash collateral (i.e. primarily the risk that the Fund is unable to reimburse the counterparty).

- Contingent bond risk: CoCos are hybrid securities, the main purpose of which is to enable the issuing bank or financial company to be recapitalised in the event of a financial crisis. These securities have loss-absorption mechanisms, described in their issue prospectus, which are generally activated if the issuer’s capital ratio falls below a certain trigger level.

The trigger is first of all mechanical: it is generally based on the CET1 (Common Equity Tier 1) accounting ratio to risk-weighted assets. To compensate for the discrepancy between book values and financial reality, there is a discretionary clause allowing the supervisor to activate the loss-absorption mechanism if it considers that the issuing institution is insolvent.

CoCos are therefore subject to specific risks, including subordination to specific triggers (e.g. deterioration of the capital adequacy ratio), conversion to equity, loss of principal or non-payment of interest.

The use of subordinated bonds and, in particular, Additional Tier 1 bonds exposes the fund to the following risks:

- triggering of contingency clauses: if a capital threshold is crossed, these bonds are either exchanged for shares or undergo a capital reduction, potentially to 0.
- coupon cancellation: coupon payments on this type of instrument are entirely discretionary and can be cancelled by the issuer at any time, for any reason, and without time constraints.

- capital structure: unlike traditional secured debt, investors in this type of instrument can suffer a loss of capital without prior bankruptcy of the company. In addition, the subordinated creditor will be repaid after the ordinary creditors, but before the shareholders.
- call for extension: these instruments are issued as perpetual instruments, callable at predetermined levels only with the approval of the competent authority.
- valuation/yield: the attractive yield of these securities can be considered a complexity premium.

- **Target subscribers and investor profile:**

All subscribers.

I units are intended more specifically for legal entities with a minimum initial subscription of €1,000,000\*.

I-NPF units are specifically intended for legal entities with a minimum initial subscription of €1,000,000\*.

*\* With the exception of the management company for which there is no minimum initial subscription.*

L units are intended more specifically for legal entities and individuals.

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 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 exclusively paid by their clients.

The Fund is intended more specifically for investors who wish to benefit from the additional remuneration offered by private sector issuers whose ratings are predominantly in the speculative and investment categories as defined in the investment strategy. Investors are thus exposed to the risks listed in the section "Risk Profile".

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 to ensure that they are not exposed solely to the risks of this Fund or of financial instruments with comparable strategies.

All investors are therefore advised to discuss their particular situation with their financial advisor.

Subscribers residing in 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 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.

- **Recommended investment period:**

The minimum recommended investment period is 3 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 Fund's portfolio, plus income generated by temporary cash holdings, less management fees and borrowing costs.

Distributable income corresponds to net income for the period plus retained earnings, plus or minus the balance of any accrued income or deferred expenses for the last financial year.

The Fund is an accumulation and/or distribution and/or retained UCITS. It may make use of interim dividend distributions.

- **Frequency of distribution:**

The management company decides annually on the allocation of distributable sums and the possibility of distributing interim dividends.

- **Unit or share features:**

The Fund has four unit classes: I unit, I-NPF unit, L unit and GP unit.

The units are denominated in euro and are divided 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 days	D+2 business days	D+2 business days
Clearing before 1:00 p.m. for subscription orders	Clearing before 1:00 p.m. for redemption orders	Execution of the order on D at the latest	Publication of the net asset value	Settlement of subscriptions <sup>1</sup>	Settlement of redemptions <sup>1</sup>

<sup>1</sup>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.

The other marketing networks themselves inform the holders of the cut-off time they apply to meet the clearing time.

Subscriptions and redemptions may be made in the amount or number of units, divided into hundred-thousandths.

Minimum subscription amount:

**I unit:**

Minimum initial subscription: €1,000,000\*.

Minimum subsequent subscription amount: none.

**I-NPF unit:**

Minimum initial subscription: €1,000,000\*.

Minimum subsequent subscription amount: none.

*\* With the exception of the management company for which there is no minimum initial subscription.*

**L unit:**

Minimum initial subscription: 1 unit.

Minimum subsequent subscription amount: none.

**GP unit:**

Minimum initial subscription: none.

Minimum subsequent subscription amount: none.

The minimum initial subscription amounts do not apply to the management company, which may subscribe to only one unit.

- Addresses of the institutions appointed to receive subscriptions and redemptions:

CACEIS Bank: 12 place des Etats-Unis CS 40083 92549 Montrouge Cedex, France.

FundsDLT: 7 avenue du Swing, L-4367 Belvaux, Grand Duchy of Luxembourg

Unitholders are reminded that orders sent via the Natixis Investment portal are executed within the same cut-off times as those established for Caceis Bank.

**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>.

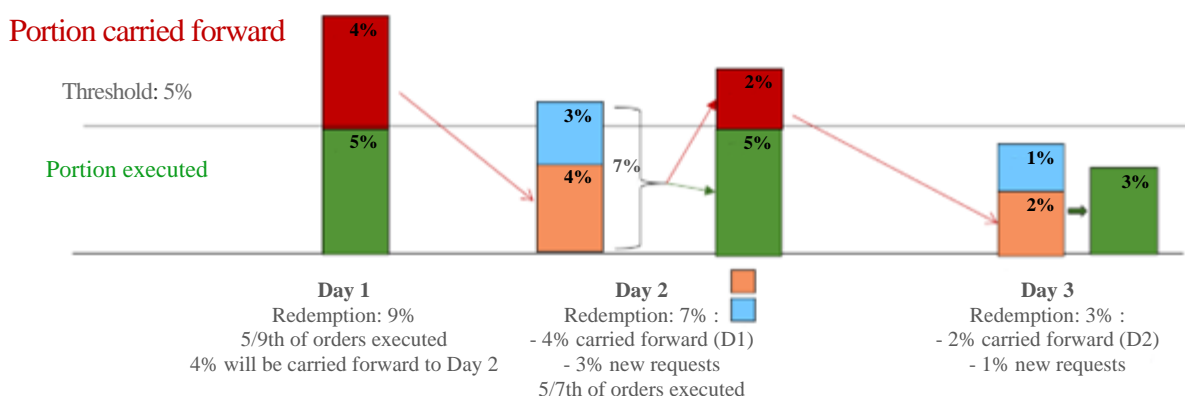
The Fund's unitholders whose orders have not been executed will be notified individually as soon as possible.

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,  $\cong$  4% of requests cannot be executed on Day 1 and will be carried forward to Day 2.

Day 2: Let's assume that total redemption requests amount to 7% (including 3% new requests). As the threshold is set at 5%,  $\cong$  2% of the requests will therefore not be executed on Day 2 and will be carried forward to Day 3.

#### - Determination of the net asset value:

The net asset value is calculated and published daily, except on public holidays as defined by the French Labour Code and the closing date of the Paris Stock Exchange.

The method of calculating the net asset value is specified in the section "Asset valuation and accounting rules".

The net asset value is available from the management company and on the website [www.im.natixis.com](http://www.im.natixis.com).

#### **Fees and commission**

- 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 marketing agent.

Fees charged to the investor payable at the time of subscription or redemption	Base	Interest rates Scale			
		I unit	I-NPF unit	L unit	GP unit
Subscription fee payable to third parties	Net asset value x number of units	▪ None.		▪ 3% maximum rate. ▪ None for subscriptions made by a holder following a redemption request for the same number of securities and the same net asset value. ▪ None for the reinvestment of dividends within three months from the date of their payment.	
Subscription fee payable to the Fund	Net asset value x number of units	• None.			
Redemption fee payable to third parties	Net asset value x number of units	• None.			
Redemption fee payable to the Fund	Net asset value x number of units	• None.			

- Management fees

#### Charges invoiced to the Fund:

These fees cover:

- Financial management fees;
- Administrative fees not related to the management company;
- Maximum indirect costs (management fees and charges) for UCITS that invest over 20% in French or foreign UCITS, French AIFs or AIFs established in another European Union member state, or investment funds established under foreign law, with reference made to the maximum level of indirect fees and charges;
- Transfer fees;
- Performance fees.

	Charges invoiced to the Fund	Base	Interest rates Scale			
			I unit	I-NPF unit	L unit	GP unit
1	Financial management fees and administrative fees not related to the management company	Net assets	Maximum 0.60% incl. tax.	Maximum 0.65% incl. tax.	Maximum 0.80% incl. tax.	Maximum 0.70% incl. tax.
2	Maximum indirect charges (management fees and charges)	Net assets	Not communicated as the Fund does not invest more than 20% in other UCITS or investment funds.			
3	Transfer fees Management company	Transaction / Operation	- a financial security: fee proportional to the notional amount of 0 to 0.10% depending on the security, - a financial contract traded on a regulated or listed market: flat fee of €0 to €2.50 per contract, - a financial contract traded on an OTC market: fee proportional to the notional amount from 0 to 0.02%.			
4	Performance fee	Net assets	<u>On I and L units only</u> 20% (including tax) of any outperformance of the benchmark index (50% Bloomberg Euro Aggregate 500 MM Corporate coupons reinvested, with a maturity of < 5 years and a rating of Baa1 to Baa3 + 50% Bloomberg Euro High Yield coupons reinvested, with a maturity of < 3 years and a rating of Ba1 to Ba3) plus 0.50%.			

Only the fees mentioned below may be outside the scope of the 4 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.

Total return swaps: 100% of the income accrues to the Fund. In terms of costs, transfer fees are charged as indicated in the "Management fees" table.

**Performance fee:**

Model for calculating the performance fee (for I and L units only):

The performance fee applicable to a particular unit class is calculated according to an “indexed asset” approach, i.e. based on a comparison of the Fund’s valued assets and its reference assets that serves as the basis for calculating the performance fee.

- The Fund’s valued assets are defined as the Fund’s assets valued in accordance with the rules applicable to assets and after taking into account actual operating and management fees.
- The Fund’s reference assets are the assets recorded on the start date of the reference period, adjusted to take into account the (same) amounts of subscriptions/redemptions applicable at each valuation and valued in accordance with the performance of the benchmark index of the Fund.

The benchmark index used to calculate the performance fee is (50% Bloomberg Euro Aggregate 500 MM Corporate coupons reinvested, with a maturity of  $\leq 5$  years and a rating of Baa1 to Baa3 + 50% Bloomberg Euro High Yield coupons reinvested, with a maturity of  $\leq 3$  years and a rating of Ba1 to Ba3) at closing price, denominated in euros, plus 0.50% for I and L units.

**Performance reference period:**

The reference period, which corresponds to the period during which the performance of the Fund is measured and compared to that of the benchmark index, is capped at five years. The management company shall ensure that, over a performance period of a maximum of five (5) years, any underperformance of the Fund in relation to the benchmark index is compensated for before performance fees become payable.

The start date of the reference period and starting value of the performance reference assets will be reset if underperformance has not been compensated for and ceases to be relevant as the five-year period elapses.

For information purposes, the start date of the five-year performance reference period begins on 1 January 2022.

**Definition of the observation period and crystallisation frequency:**

1/ The observation period corresponds to the financial year, running from 1 January to 31 December.

2/ The crystallisation frequency is the frequency at which a provisioned amount is considered definitive and payable.

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

If, during the observation period, the Fund’s valued assets are higher than the reference assets above, the variable portion of the management fees will represent up to 20% inclusive of tax of the difference between these two assets.

If, over the observation period, the Fund’s valued assets are lower than the reference assets, the variable portion of the management fees will be zero.

If, during the observation period, the Fund’s valued assets are higher than the reference assets, this difference will be subject to a provision for variable management fees at the time of the net asset value calculation.

If this is not the case, the previously approved provision will be reduced accordingly.

Reductions in provisions must not exceed the previous allocations.

This performance fee will only be collected at the end of the accounting period if, over the elapsed period, the Fund’s valued assets are greater than the reference assets at the time of the final net asset value for the reference period.

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

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

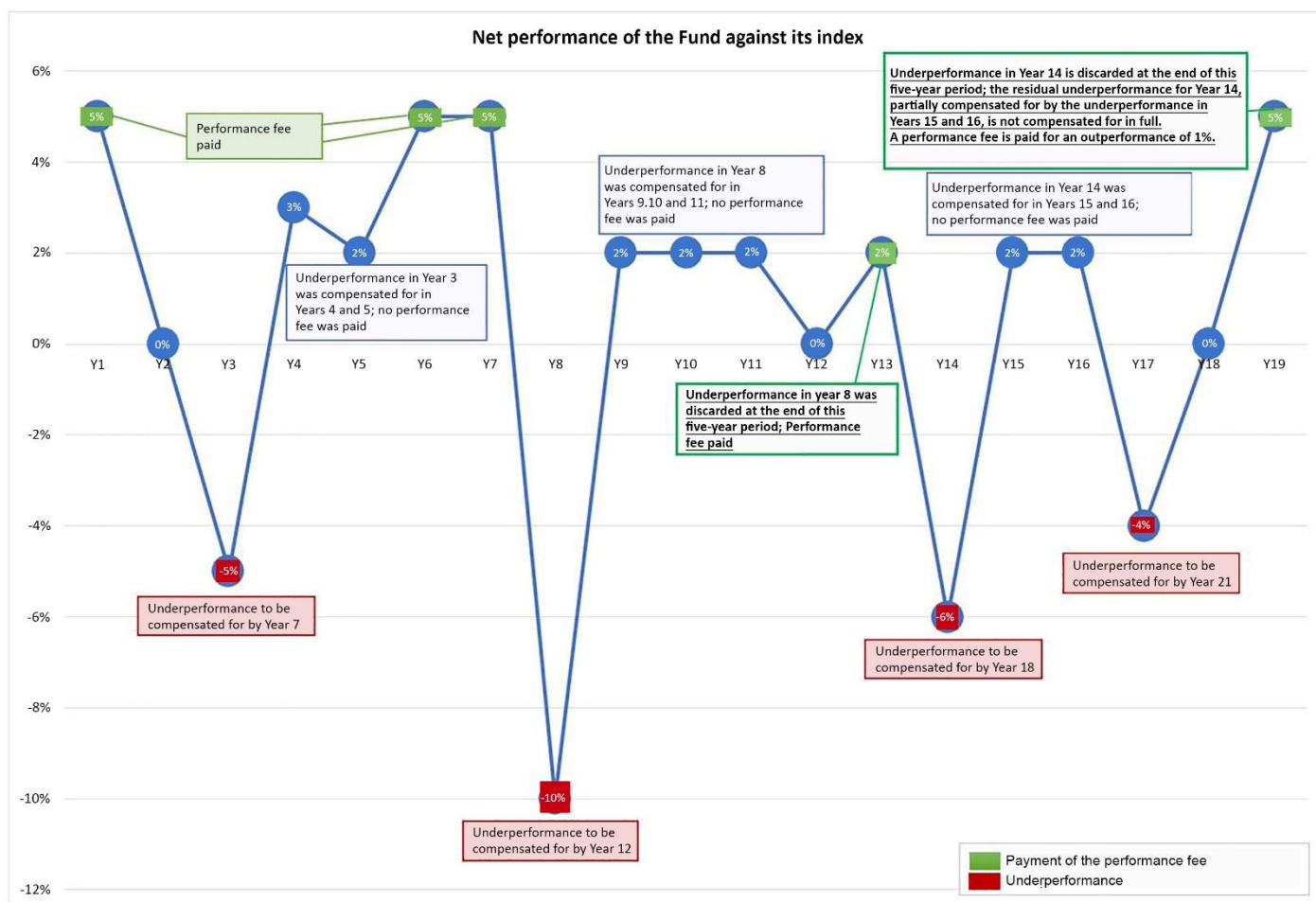
<u>Case</u>	<u>Performance of the Fund</u>	<u>Performance of the index</u>	<u>Configuration</u>	<u>Performance fee charged?</u>
<u>No. 1</u>	<u>Positive</u>	<u>Positive</u>	<u>The Fund outperforms its index over the reference period</u> <u>(Fund performance &gt; Index performance)</u>	<u>YES</u>
<u>No.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

Example of calculating and charging a 20% performance fee:

Year No. (year-end date)	Performance of the Fund's assets at year-end	Performance of the reference assets at year-end	Underperformance/ Outperformance recorded	Underperformance to be compensated for from the previous year	Payment of performance fee	Comments
31 December of Year 1	10%	5%	Performance of +5% Calculation: 10% - 5%	X	Yes 5% x 20%	
31 December of Year 2	5%	5%	Net performance of 0% Calculation: 5% - 5%	X	No	
31 December of Year 3	3%	8%	Underperformance of -5% Calculation: 3% - 8%	-5%	No	Underperformance to be compensated for by Year 7
31 December of Year 4	4%	1%	Performance of +3% Calculation: 4% - 1%	-2% (-5% + 3%)	No	
31 December of Year 5	2%	0%	Performance of +2% Calculation: 2% - 0%	0% (-2% + -2%)	No	Underperformance from Year 3 rectified
31 December of Year 6	-1%	-6%	Performance of +5% Calculation: -1% - (-6%)	X	Yes (5% x 20%)	
31 December of Year 7	4%	-1%	Performance of +5% Calculation: 4% - (-1%)	X	Yes (5% x 20%)	
31 December of Year 8	-10%	+0%	Underperformance of -10% Calculation: -10% - 0%	-10%	No	Underperformance to be compensated for by Year 12
31 December of Year 9	-1%	-3%	Performance of 2% Calculation: -1% - (-3%)	-8% (-10% + 2%)	No	
31 December of Year 10	-5%	-7%	Performance of +2% Calculation: -5% - (-7%)	-6% (-8% + 2%)	No	
31 December of Year 11	0%	-2%	Performance of +2% Calculation: 0% - (-2%)	-4% (-6% + 2%)	No	
31 December of Year 12	1%	1%	Net performance of +0% Calculation: 1% - 1%	-4%	No	The underperformance from Year 12 to be carried over to the following year (13) is 0% (not -4%). The residual underperformance (-10%) from Year 8 has not been compensated for (-4%) at the end of the five-year period. It is



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



#### 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/sales of securities:

The delegated financial manager has entrusted the intermediation service to Natixis TradEx Solutions, a French public limited company (*société anonyme*) with a 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 financial 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](http://www.im.natixis.com) (under the section "Our commitments", "Intermediary/counterparty selection policy").

**IV - Commercial information**

Subscription and redemption orders received by CACEIS Bank before 1 p.m. are executed on the basis of the next published net asset value.

Subscriptions and redemptions may be made in the amount or number of units, divided into hundred-thousandths.

The minimum initial subscription for the I unit is €1,000,000\*.

The minimum initial subscription for the I-NPF unit is €1,000,000\*.

The minimum initial subscription for the L unit is one unit.

There is no minimum subscription for GP units.

*\* With the exception of the management company for which there is no minimum initial subscription.*

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

- the marketing agent, or
- 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 France, 75013 Paris, France

[ClientServicingAM@natixis.com](mailto:ClientServicingAM@natixis.com)

These documents will be sent within eight business days.

- These documents are also available online at [www.im.natixis.com](http://www.im.natixis.com).
- Further information can be obtained from NATIXIS.

**INFORMATION ON THE NET ASSET VALUE**

The net asset value can be obtained from Natixis Investment Managers International and on the website [www.im.natixis.com](http://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](http://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 account of criteria relating to compliance with environmental, social and governance (ESG) quality objectives can be found in the annual reports for the relevant UCITS and on the management company's website.

**V - Investment rules**

The Fund complies with the investment rules applicable to UCITS (Article L214-2 et seq. of the French Monetary and Financial Code).

**VI - Overall risk**

The overall risk of the portfolio is assessed using the commitment method.

**VII - Asset valuation and accounting rules**

The UCI complies with the accounting rules prescribed by the regulations in force, and in particular the UCIs' chart of accounts. The accounting currency is the euro.

The assets of the portfolio, 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 the prices that appear to be the most representative among stock exchange prices, prices contributed by market specialists, prices used for the calculation of recognised market indices or prices published in representative databases.

- Financial instruments traded on a European regulated market are valued 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, failing that, the last price quoted on 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 euro according to the WM Reuters price at 4 p.m. 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 changes 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 (valuation according to the terms of the contract).

In the case of transferable securities that are unlisted or those for which a price is not listed on the valuation date, as well as other items on the balance sheet, the management company adjusts its valuation on the basis of variations that seem likely in view of current events.

Transactions in futures and options are valued as follows:

- Transactions in 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 day of valuation.
- Transactions in 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 euro using the WM Reuters price at 4 p.m. London time.
- Commitments corresponding to transactions on futures markets have been recorded off-balance sheet at their market value; those corresponding to transactions on options markets have been 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 may be subject to an overall valuation at the market rate and/or the exchange rate of the currency resulting from the swap in accordance with the terms of the contract. This method can only be used in the specific case of a swap allocated to an identified security. By assimilation, the whole is then valued as a debt security.
- Credit default swaps (CDS) are valued according to the standard method published by the International Swaps and Derivatives Association "ISDA Upfront Standard".

Forward exchange transactions are valued at market price using forward 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.

#### Accounting methods

Income is recorded on a 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.

#### Swing pricing mechanism of the net asset value with trigger threshold (from 18 August 2015):

The management company has implemented a method for adjusting the net asset value (NAV) with a trigger threshold.

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

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

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

The adjustment mechanism will be applied at some point in the future, however, it is not possible to predict accurately when or how often the management company will make such adjustments.

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

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

#### **VIII – Remuneration:**

Details of the management company's remuneration policy are available at: [www.im.natixis.com](http://www.im.natixis.com).

**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 CROSSOVER**

**Legal entity identifier: 9695000ZFCCXF9HK4I77**

## Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input type="radio"/> <input type="checkbox"/> <b>Yes</b>	<input type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective:</b> ____% <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective:</b> ____%	<input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



### 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:

- Excluding controversial sectors and issuers through the delegated management company's sectoral, exclusion and controversy management policies;
- Holding at least 10% in sustainable investments.
- Selecting the highest-rated issuers based on an ESG rating with the objective of:
  - o ensuring that the portfolio's average ESG score remains better than that of its initial filtered investment universe\*;

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

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

\*Filtered initial investment universe means the initial investment universe (private or quasi-public entities in the OECD zone, rated “Investment Grade”, “High Yield” or “B-” or higher by the three main credit rating agencies, namely Standard & Poor’s, Moody’s and Fitch, which issue negotiable debt securities and/or bonds, denominated in euro) from which 20% of the issuers with the lowest ESG assessments within each issuer category are excluded (including the most controversial issuers according to Ostrum’s exclusion and sectoral policies, as well as the lowest-rated issuers) and sovereign debt.

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

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

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

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 investment universe
- Carbon intensity of the fund
- Carbon intensity of the investment universe
- Proportion of sustainable investments

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



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

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

● ***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 AM website at (<https://www.ostrum.com/en/our-csr-and-esg-publications>) The asset manager also follows Ostrum Asset Management's exclusion policies.

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

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

1. Quantitative measurement of PAIs

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

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

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

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

3. Sectoral and exclusion policies

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

4. Engagement policy and campaigns

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



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

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

- Controversial weapons: Regulatory exclusion: issuers involved in the employment, development, production, marketing, distribution, storage or transfer of anti-personnel mines (APMs) and cluster munitions (CMs)\*  
  
in accordance with the treaties signed with the French government, funds directly managed by Ostrum Asset Management do not invest in companies that produce, sell or store anti-personnel mines and cluster munitions.
- Worst offenders: Exclusion of issuers that do not meet certain fundamental criteria
- Blacklisted states: Exclusion of countries with strategic deficiencies in their anti-money laundering and anti-terrorist financing arrangements
- Oil & gas:
  - 2022: end of new investments in companies where more than 10% of production is related to these activities.
  - Complete exit from unconventional and/or controversial oil and gas exploration and production by 2030
- Tobacco: Exclusion of tobacco manufacturers and producers
- Coal: end of investments in companies according to strict criteria

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

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

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



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

☒ Yes

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

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

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

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

☐ No



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

### What investment strategy does this financial product follow?

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

Although government securities are subject to ESG assessment, the results of the assessment are not measurably reflected in the SRI strategy described below. These government securities may represent up to 25% of the Fund's net assets.

The initial investment universe includes private or quasi-public entities in the OECD zone, rated "Investment Grade", "High Yield" or "B-" or higher by the three main credit rating agencies, namely Standard & Poor's, Moody's, Fitch, which issue negotiable debt securities and/or bonds, denominated in euro.

The initial investment universe excludes the most controversial issuers in the initial investment universe through the delegated management company's exclusion and sectoral policies.

The analysis of the eligible universe is based on an external tool with multiple non-financial rating sources made available to the delegated management company. The analysis of social, environmental and governance criteria is carried out according to a methodology specific to the delegated management company. The extra-financial rating of issuers, which applies to all asset classes, is based on four pillars enabling a pragmatic and differentiating analysis:

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

Several criteria are identified for each pillar and monitored through indicators collected from non-financial rating agencies.

Ultimately, the delegated management company is the sole judge of the non-financial quality of the issuer, which is expressed in a final rating of between 1 and 10, with the SRI score of 1 representing high non-financial quality and 10 representing low non-financial quality.

- 2) After analysing the investment universe described above, the management company selects securities according to their financial and non-financial characteristics.

For private and quasi-public issuers:

The portfolio's construction thus allows for an average SRI rating 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's exclusion and sectoral policies and the lowest-rated issuers).

Using this approach to the average score of the investment universe, the management company implements the portfolio's SRI strategy.

The fund will hold a minimum of 10% in sustainable investments.

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

- Keeping the carbon intensity of the Fund below the carbon intensity of the initial investment universe

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

The fund applies Ostrum's sectoral and exclusion policies

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.

● ***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
- Holding at least 10% in sustainable investments.

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

- Applying the following non-exhaustive list of ESG policies put in place by Ostrum Asset Management:
  - Sectoral policies,
  - Exclusion policies,
  - Controversy management policies (including ethical controversies with the "Worst Offenders" policy, which includes governance issues).

Ostrum AM's exclusion, sectoral and worst offenders policies can be found at [www.ostrum.com](http://www.ostrum.com).

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

Not applicable

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

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

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

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

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

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



### **What is the asset allocation planned for this financial product?**

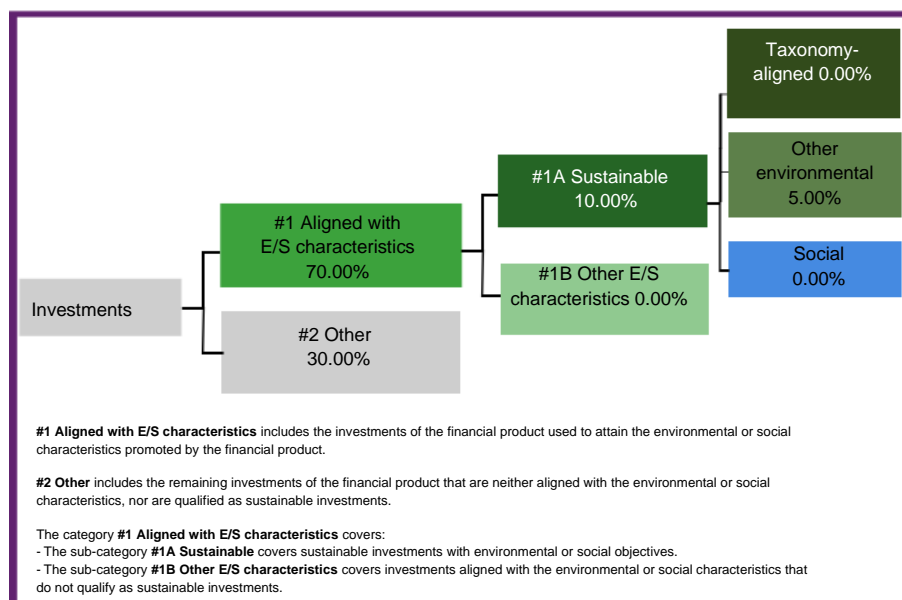
The share of investments aligned with E/S characteristics is at least 70%.

Investments aligned with E/S characteristics will be at least 10% sustainable investments of which at least 5% will be sustainable investments with an environmental objective in economic activities that are not considered environmentally sustainable under the European Taxonomy. The fund may invest up to 30% of its net assets in instruments that are not aligned with the E and S characteristics (#2 Other)

**Asset allocation** describes the share of investments in specific assets.

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 achieve the environmental or social characteristics promoted by the Fund.



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

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

### ● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

- ☐ Yes:
- ☐ In fossil gas ☐ In nuclear energy
- ☒ No

<sup>1</sup> 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.

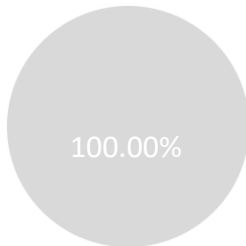
*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial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

*\* 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?**

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



**What is the minimum share of socially sustainable investments?**

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



**What investments are included under “#2 Other”, what is their purpose**

## and are there any minimum environmental or social safeguards?

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

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

Minimum environmental or social safeguards are not systematically applied.



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

Not applicable

- *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/fr/fonds/4070/ostrum-isr-obli-crossover>

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