

# Ostrum SRI Credit Euro

## FUND FACTSHEET

MARKETING COMMUNICATION - EXCLUSIVELY FOR PROFESSIONAL INVESTORS OR NON-PROFESSIONALS INVESTED IN THE FUND <sup>(1)</sup>

SHARE CLASS: L/N (EUR) - FR0011521517

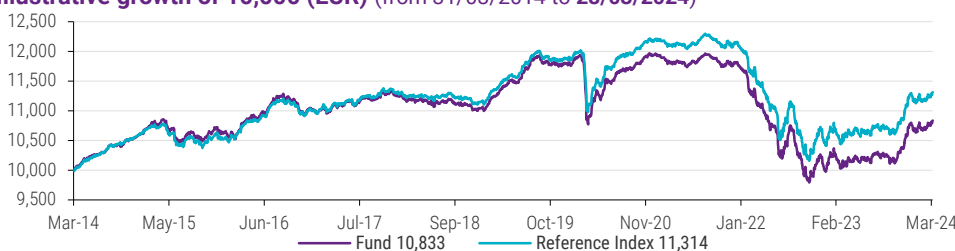
March 2024

### Fund highlights

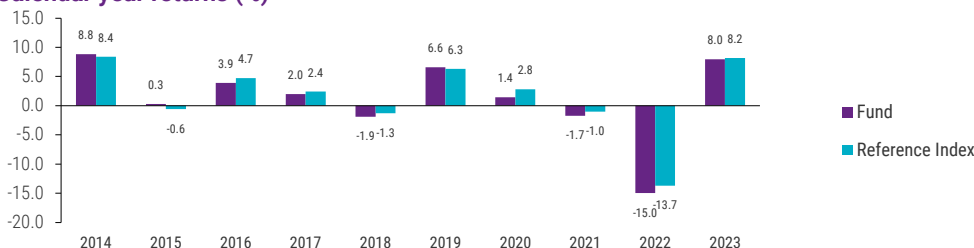
- Applies a socially responsible investment (SRI) strategy and benefits from the French government's SRI label
- Invests in euro-denominated private issuers' bonds and money market instruments via an active portfolio management strategy
- Approach based on 3 sources of credit value added: active management of the exposure to the credit risk, sector allocation, security and issuer selection based on a financial and non-financial analysis
- Rigorous active analysis of credit quality based on independent proprietary fundamental research, incorporating ESG factors
- Diversification by ratings (up to 20% of cumulative high yield and unrated securities including 10% max of unrated securities), instrument (convertible, contingent convertibles up to 10%, credit derivatives), geography and currency (other OECD currencies, currency risks essentially hedged)
- Portfolio's overall sensitivity kept between 3 and 7
- This product promotes environmental or social characteristics but does not have as its objective a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification
- Minimum proportion of taxonomy alignment: 0%; Minimum proportion of sustainable investments: 10%
- SFDR Classification : Art. 8

PERFORMANCE DATA SHOWN REPRESENTS PAST PERFORMANCE AND IS NOT A GUARANTEE OF FUTURE RESULTS.

### Illustrative growth of 10,000 (EUR) (from 31/03/2014 to 28/03/2024)



### Calendar year returns (%)



TOTAL RETURNS (%)	Fund	Reference Index
1 month	1.23	1.23
Year to date	0.59	0.45
3 months	0.59	0.45
1 year	7.00	6.79
3 years	-8.17	-6.49
5 years	-5.00	-1.72
10 years	8.33	13.14
Since inception	14.98	18.56

RISK MEASURES	1 year	3 years	5 years	10 years
Fund Standard Deviation (%)	3.95	4.83	4.87	3.81
Reference Index Standard Deviation (%)	4.02	5.05	4.90	3.78
Tracking Error (%)	0.81	0.88	0.83	0.73
Fund Sharpe Ratio*	0.83	-0.84	-0.33	0.17
Reference Index Sharpe Ratio*	0.77	-0.69	-0.19	0.28
Information Ratio	0.26	-0.67	-0.81	-0.60
Alpha (%)	0.43	-0.73	-0.68	-0.42
Beta	0.96	0.94	0.98	0.99
R-Squared	0.96	0.97	0.97	0.96

\* Risk free rate: Performance over the period of capitalised EONIA chained with capitalised €STR since 30/06/2021

ANNUALISED PERFORMANCE (%) (Month end)	Fund	Reference Index
3 years	-2.80	-2.21
5 years	-1.02	-0.35
10 years	0.80	1.24
Since inception	1.30	1.59



References to a ranking, prize or label do not anticipate the future results of the latter, or of the fund, or of the manager.

### ABOUT THE FUND

#### Investment objective

The Fund has a dual investment objective: it seeks to outperform its Reference Index net coupons reinvested; implement a Socially Responsible Investment (SRI) strategy

#### Overall Morningstar rating <sup>TM</sup>

★★★ | 29/02/2024

#### Morningstar category <sup>TM</sup>

EUR Corporate Bond

#### Reference Index

BLOOMBERG EUROAGG 500 CORPORATE TOTAL RETURN INDEX VALUE UNHEDGED EUR

The Reference index does not intend to be consistent with the environmental or social characteristics promoted by the fund.

### FUND CHARACTERISTICS

Classification AMF	Bonds in euros
Legal structure	French mutual fund (FCP)
Share class inception	21/06/2013
Valuation frequency	Daily
Custodian	CACEIS BANK
Currency	EUR
Cut off time	13:00 CET D
AuM	EURm 329.8
Recommended investment period	> 4 years
Investor type	Institutional

### AVAILABLE SHARE CLASSES

Share class	ISIN	Bloomberg
L/N (EUR)	FR0011521517	LBOBCRL FP

### RISK PROFILE

Lower risk Higher risk

1	2	3	4	5	6	7
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The category of the summary risk indicator is based on historical data.

Due to its exposure to fixed income markets, the Fund may experience medium volatility, as expressed by its rank on the above scale.

The Fund investment policy exposes it primarily to the following risks:

- Changing Interest rate
- Risk associated with investments in contingent convertible bonds
- Counterparty risk
- Credit risk
- Currency risk
- Equity securities
- Liquidity risk
- Specific risk of securitisation instruments (ABS ...)
- Risk related to temporary sales and repurchases of securities and the management of financial guarantees
- Risk of holding securities with a low or no credit rating
- Risk related to holding convertible bonds

The Fund is subject to sustainability risks.

For more information, please refer to the section detailing specific risks at the end of this document.

Some recent performance may be lower or higher. As the value of the capital and the returns change over time (notably due to currency fluctuations), the repurchase price of the shares can be higher or lower than their initial price. The performance indicated is based on the NAV (net asset value) of the share class, and is net of all charges applying to the fund but does not account for sale commissions, taxation or paying agent fees, and assumes that dividends if any are reinvested. Taking such fees or commissions into account would lower the returns. The performance of other share classes would be higher or lower based on the differences between the fees and the entry charges. In the periods where certain share classes are not subscribed or not yet created (inactive share classes), performance is calculated based on the actual performance of an active share class of the fund whose characteristics are considered by the management company as being closest to the inactive share class concerned, after adjusting it for the differences between the total expense ratios (TER), and converting any net asset value of the active share class in the currency in which the inactive share class is listed. The performance given for the inactive share class is the result of a calculation provided for information.

Please read the important information given in the additional notes at the end of this document.

<sup>(1)</sup> Please refer to the prospectus of the fund and to the KID before making any final investment decisions.

# Ostrum SRI Credit Euro

## Portfolio analysis as of 28/03/2024

ASSET ALLOCATION (%)	Fund
Fixed-rate bonds	58.5
Adjustable-rate bonds	34.9
Bonds Mutual Funds	2.7
Trackers	1.7
Money Market Funds	0.4
Cash	1.8
<b>Total</b>	<b>100.0</b>

in % of AuM

OFF-BALANCE SHEET (%)	Fund
Bond futures	17.0
<b>Total</b>	<b>17.0</b>

in % of AuM

TOP 10 HOLDINGS (%)	Fund
IVZ AT1 CAP LN USD	1.7
URWFP 4.125% 12-30	1.2
OSTR.EURO.ABS.O.IC.€	1.2
DB TR 05-31	1.1
ENIIM 3.625% 05-27	1.0
EDPPL 3.875% 03-30	1.0
AMT 4.125% 05-27	1.0
BBVASM TR	1.0
HON 3.750% 03-36	0.9
RABOBK TR	0.9
<b>Total</b>	<b>11.1</b>
<b>Number of securities per portfolio</b>	<b>202</b>

in % of AuM

CREDIT QUALITY (%)	Fund	Reference Index
AAA	-	0.3
AA+	-	0.3
AA	0.5	1.2
AA-	2.6	7.1
A+	4.7	10.2
A	4.6	9.5
A-	10.8	21.5
BBB+	22.1	20.9
BBB	28.3	18.7
BBB-	13.5	10.1
BB+	3.0	0.2
BB	3.1	-
NR	0.2	0.0
Mutual Funds	4.4	-
cash & equivalent	2.2	-

Credit quality reflects the lower credit rating of the top two, assigned to individual holdings of the fund among Moody's, S&P's or Fitch (taking into account the issuer rating where there is no security rating)

CHARACTERISTICS	Fund	Reference Index
Macaulay Duration	4.8	4.5
Duration	4.7	4.3
Average coupon %	3.47	1.91
Yield to Maturity %	4.17	3.62

The calculation of the average coupon only takes fixed-rate bonds into account.

The yield of the Fund is calculated after currency hedging and after duration hedging.

The yield of the index is calculated after currency hedging.

BREAKDOWN BY COUNTRY (%)	Fund	Reference Index
France	25.7	20.4
United States	14.1	20.5
Italy	10.4	5.6
Germany	10.4	13.9
Spain	8.0	6.4
Belgium	4.4	1.8
United Kingdom	3.7	8.1
Netherlands	3.5	5.8
Other countries	13.5	17.4
Mutual Funds	4.4	-
Cash & cash equivalent	2.2	-

The country displayed is the country of risk, which can differ from the country of domicile, for some issuers.

SECTOR BREAKDOWN (%)	Fund	Reference Index
Corporates	88.2	100.0
Financial	42.0	43.2
Defensive	23.5	30.4
Cyclical	22.8	26.4
Government related	5.2	-
Agencies and Supranational	5.2	-
Mutual Funds	4.4	-
Cash & cash equivalent	2.2	-

BCLASS Nomenclature

BREAKDOWN BY MATURITY	Fund	Reference Index	Fund	Reference Index
		%	Modified duration	
<1 Y	3.9	3.1	0.0	0.0
1-3 Y	13.8	31.9	0.8	0.6
3-5 Y	34.5	27.2	1.2	1.0
5-7 Y	21.0	17.4	0.8	0.9
7-10 Y	17.3	14.4	0.9	1.0
10-15 Y	5.3	4.2	0.5	0.4
>15 Y	0.4	1.8	0.3	0.3
Other products	1.7	-	0.0	-
Cash & cash equivalent	2.2	-	0.0	-



FEES	
All-in-Fee	1.10%
Max. sales charge	2.00%
Max. redemption charge	0.00%
Performance fees	0.00%
Minimum investment	-
NAV (28/03/2024)	1,145.53 EUR

The All-in fee represents the sum of Management fees and Administration fees. For further details, please refer to the definition at the end of the document.

## MANAGEMENT

**Management company**  
NATIXIS INVESTMENT MANAGERS INTERNATIONAL

**Investment manager**  
OSTRUM ASSET MANAGEMENT

A responsible (1) European institutional investment management leader (2), Ostrum Asset Management supports its clients in their liability-driven investments, offering both asset management solutions and investment services.

(1) Ostrum AM was one of the first French asset manager signatories to the PRI in 2008. More details: [www.unpri.org](http://www.unpri.org)

(2) IPE Top 500 Asset Managers 2020 ranked Ostrum AM as the 77th largest asset manager, as at 12/31/2019. Any reference to a ranking, a rating or an award provides no guarantee for future performance.

**Headquarters** Paris  
**Founded** 2018  
**Assets Under Management (Billion)** US \$ 435.3 / € 393.9 (31/12/2023)

**Portfolio managers**  
Omar Ettaqy, CFA: began investment career in 2002 ; joined Ostrum Asset Management in 2020 ; has managed the strategy since 2012 ; Graduated from la Sorbonne university. CFA charterholder.

Sophie Penseil-Poiron: began investment career in 2001 ; joined Ostrum Asset Management in 2011 ; has managed the strategy as co Portfolio Manager since 2013 ; Master's degree in Trading and International Financial Markets, ESLSCA business school; Advanced degree in banking, finance and risk management, University Paris XIII

## INFORMATION

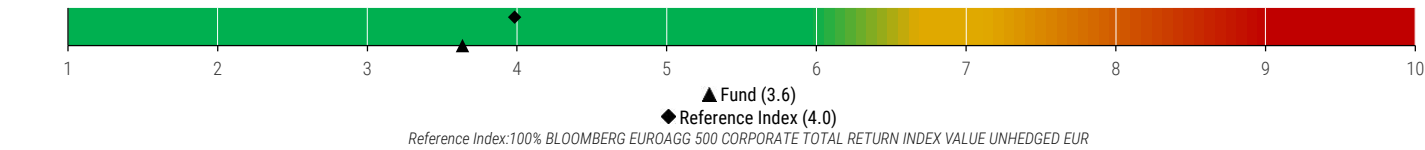
**Prospectus enquiries**  
**E-mail:** [ClientServicingAM@natixis.com](mailto:ClientServicingAM@natixis.com)

# Ostrum SRI Credit Euro

ESG analysis as of 28/03/2024

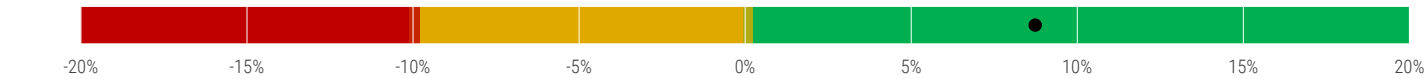


## SRI rating\*



\*SRI = Socially Responsible Investment

## Difference between the fund's SRI rating and its benchmark



### SRI rating

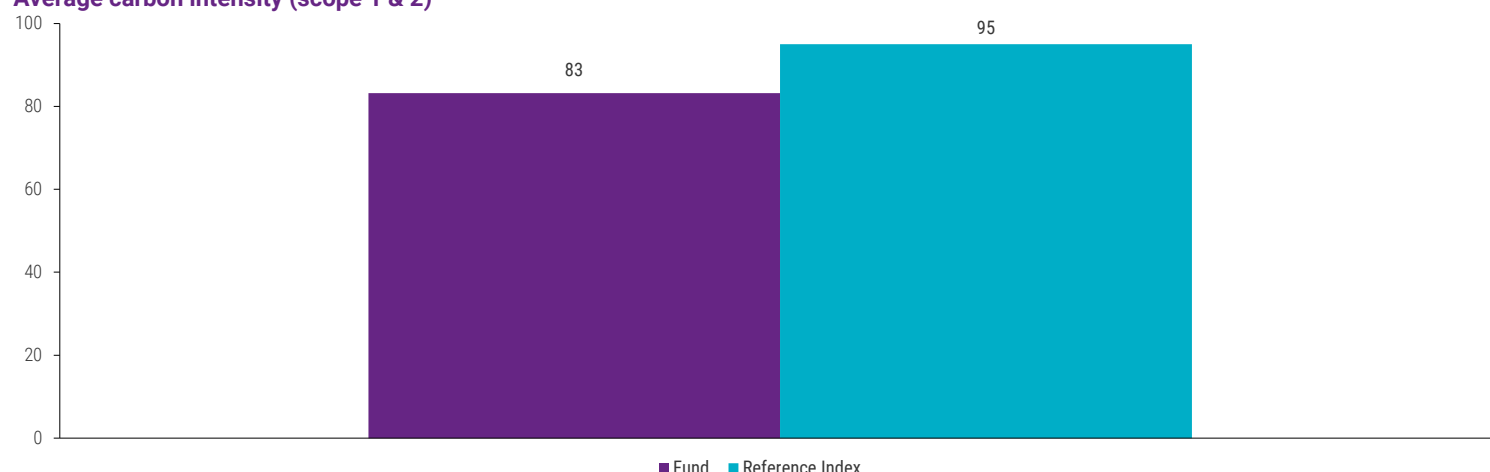
An SRI rating of 1 corresponds to the highest extra-financial quality and of 10 to the lowest.  
As this rating method is based on a large number of indicators, it is possible that the portfolio will not, at all times, have a better rating than the benchmark.  
Source: Ostrum AM. GREaT extra-financial rating calculated on the basis of an external methodology, owned by LPB AM. Analysis in 4 pillars (responsible governance, sustainable management of natural and human resources, energy transition, regional development), using around 60 indicators.

# Ostrum SRI Credit Euro

## Extra-Financial Report - Credit carbon intensity <sup>1</sup> as of 28/03/2024

**CARBON INTENSITY <sup>1</sup> OF THE CREDIT PORTION OF THE PORTFOLIO AND ITS INDEX: CARBON INTENSITY, EXPRESSED IN TONS OF CO<sub>2</sub> / MILLIONS OF DOLLARS IN REVENUE. TCFD RECOMMENDATION <sup>2</sup>**

### Average carbon intensity (scope 1 & 2) <sup>3</sup>



Coverage rate (Fund / Reference Index): 99 % / 97 %

The coverage rate indicates the weight of assets for which carbon intensity data is available. This coverage rate is expressed as a % of the assets in the category.

Reference Index: 100% BLOOMBERG EUROAGG 500 CORPORATE TOTAL RETURN INDEX VALUE UNHEDGED EUR

### Main contributors to portfolio average carbon intensity (scope 1 & 2) <sup>4</sup>

Companies <sup>5</sup>	Contribution to fund carbon intensity <sup>6</sup>	Carbon intensity (tCO <sub>2</sub> / millions of dollars in turnover)	Carbon emissions (tCO <sub>2</sub> ) <sup>7</sup>
ACCOR SA	10%	659	2,931,178
CRH SMW FINANCE DAC	9%	1,031	33,744,815
TERNA - RETE ELETTRICA NAZIONALE	9%	590	1,816,723
ENGIE SA	7%	314	31,084,654
EDP FINANCE BV	6%	454	9,881,456
LINDE PLC	5%	1,130	37,716,000
ENI SPA	5%	286	40,227,746
ENEL SPA	4%	393	57,089,676
ELECTRICITE DE FRANCE	3%	160	24,205,909
CIE DE SAINT-GOBAIN SA	3%	207	11,149,964

Source: Trucost

Ostrum AM uses Trucost to obtain all scope 1 and 2 carbon intensities for corporates and sovereigns. Scope 3 is not currently taken into account in the analysis, as recommended by SBTi. To obtain this data, Trucost collects greenhouse gas emissions through a variety of public sources, such as company financial reports, environmental data sources and data published on company websites or other public sources. Where no published data is available, Trucost's Extended Environmental Input-Output (EEIO) model combines industry-specific environmental impact data with quantitative macroeconomic data on the flow of goods and services between different sectors of the economy to obtain an estimated carbon emissions figure. Once the intensity of each emitter has been obtained, each portfolio's carbon intensity is calculated by summing the intensity of each emitter, weighted by its contribution to the portfolio. This figure corresponds to the Weighted Average Carbon Intensity (WACI), as recommended by the TCFD. Carbon intensity measures the volume of carbon emissions per dollar of turnover generated by the issuers in the portfolio over a given period. Further information on the methodology is available here: <https://www.spglobal.com/spdji/en/documents/additional-material/fag-trucost.pdf>

**1. The carbon intensity** corresponds to the volume of CO<sub>2</sub> emitted for a million dollars of turnover achieved. To calculate this intensity, we take into account not only the direct emissions related to the company's operations (**Scope 1**) but also those related to the provision of the necessary energy (**Scope 2**).

**Carbon intensity of a company** (tons of CO<sub>2</sub> / Millions of dollars in turnover) = (Scope 1 + Scope 2) / Millions of dollars in turnover.

**2.** The TCFD is the Financial Information Reporting Working Group established by the Financial Stability Board. The Financial Stability Board, or FSB, is an international economic grouping created at the G20 meeting in London in April 2009.

**3. Scope 1:** Greenhouse gas emissions from the combustion of fossil fuels and production processes owned or controlled by the company. **Scope 2:** Indirect gas emissions related to the company's energy consumption.

**4. Average carbon intensity of the fund** is the sum of the corporate carbon intensities weighted by portfolio weights.

**5.** The calculation of the average carbon intensity of the portfolio only takes into account the securities of private issuers held in our internal funds.

**6.** Represents the company's % contribution to the average carbon intensity of the portfolio.

**7.** Represents the number of tons of CO<sub>2</sub> emitted by the company on Scope 1 and Scope 2.

For more information about the implications of France's Law on Energy and Climate (Loi Energie Climat), please read Ostrum AM's latest report available on the Ostrum AM website.

Source: Natixis Investment Managers International unless otherwise indicated

Due to active management, portfolio characteristics are subject to change. References to specific securities or industries should not be considered a recommendation.

**Calculation of performance during periods of share class inactivity (if applicable)**

For periods when certain share classes were unsubscribed or not yet created (the "inactive share classes"), performance is imputed using the actual performance of the fund's active share class which has been determined by the management company as having the closest characteristics to such inactive share class and adjusting it based on the difference in TERs and, where applicable, converting the net asset value of the active share class into the currency of quotation of the inactive share class. The quoted performance for such inactive share class is the result of an indicative calculation.

**Illustrative Growth of 10,000**

The graph compares the growth of 10,000 in a fund with that of an index. The total returns are not adjusted to reflect sales charges or the effects of taxation, but are adjusted to reflect actual ongoing fund expenses, and assume reinvestment of dividends and capital gains. If adjusted, sales charges would reduce the performance quoted. The index is an unmanaged portfolio of specified securities and cannot be invested in directly. The index does not reflect any initial or ongoing expenses. A fund's portfolio may differ significantly from the securities in the index. The index is chosen by the fund manager.

**Risk Measures**

The "Summary Risk Indicator" (SRI), as defined by the PRIIPs regulation, is a risk measure based on both market risk and credit risk. It is based on the assumption that you stay invested in the fund for the recommended holding period. It is calculated periodically and may change over time. The indicator is presented on a numerical scale from 1 (the lowest risk) to 7 (the highest risk). The risk measures below are calculated for funds with at least a three-year history.

Standard deviation is a statistical measure of the volatility of the fund's returns.

Tracking Error is reported as a standard deviation percentage difference between the performance of the portfolio and the performance of the reference index. The lower the Tracking Error, the more the fund performance resembles to the performance of its reference index.

The Sharpe ratio uses standard deviation and excess return to determine reward per unit of risk.

The Information Ratio is the difference between the fund's average annualized performance and the reference index divided by the standard deviation of the Tracking Error. The information ratio measures the portfolio manager's ability to generate excess returns relative to the reference index.

Alpha measures the difference between a fund's actual returns and its expected performance, given its level of risk (as measured by beta). Alpha is often seen as a measure of the value added or subtracted by a portfolio manager.

Beta is a measure of a fund's sensitivity to market movements. A portfolio with a beta greater than 1 is more volatile than the market, and a portfolio with a beta less than 1 is less volatile than the market.

R-squared reflects the percentage of a fund's movements that are explained by movements in its benchmark index, showing the degree of correlation between the fund and the benchmark. This figure is also helpful in assessing how likely it is that alpha and beta are statistically significant.

**Morningstar Rating and Category**

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**Reference Index**

The Sub-Fund is actively managed. The Reference Index is used for comparison purposes only. The Delegated Investment Manager remains free to choose the securities that make up the portfolio in accordance with the Sub-Fund's investment policy.

**Asset allocation**

Cash offset for Derivatives represents the amount of cash the portfolio manager should borrow if he's Long exposed via derivatives and vice versa. The weighting of the portfolio in various asset classes, including "Other," is shown in this table. "Other" includes security types that are not neatly classified in the other asset classes, such as convertible bonds and preferred stocks. In the table, allocation to the classes is shown for long positions, short positions, and net (long positions net of short) positions. These statistics summarize what the managers are buying and how they are positioning the portfolio. When short positions are captured in these portfolio statistics, investors get a more robust description of the funds' exposure and risk.

**Fund Charges:** The "All-in Fee" is defined as the aggregate of Management Fees and Administration Fees paid annually by each Sub-Fund, other than taxes (such as "Taxe d'abonnement") and expenses relating to the creation or liquidation of any Sub-Fund or Share Class; the All-in Fee shall not exceed such percentage of each Sub-Fund's average daily net asset value as indicated in each Sub-Fund's description under "Characteristics." The All-in Fee paid by each Share Class, as indicated in each Sub-Fund's description, does not necessarily include all the expenses linked to the FCP's investments (such as the tax d'abonnement, brokerage fees, expenses linked to withholding tax reclaim) that are paid by such FCP. Unless otherwise provided for in any Sub-Fund's description, if the yearly actual expenses paid by any Sub-Fund exceed the applicable All-in Fee, the Management Company will support the difference and the corresponding income will be recorded under Management Company fees in the FCP's audited annual report. If the yearly actual expenses paid by each Sub-Fund are lower than the applicable All-in Fee, the Management Company will keep the difference and the corresponding charge will be recorded under Management Company fees in the FCP's audited annual report.

**Equity Portfolio Statistics (if applicable)**

The referenced data elements below are a weighted average of the long equity holdings in the portfolio. The Price/Earnings ratio is a weighted average of the price/earnings ratios of the stocks in the underlying fund's portfolio. The P/E ratio of a stock is calculated by dividing the current price of the stock by its trailing 12-months' earnings per share. The Price/Cash Flow ratio is a weighted average of the price/cash-flow ratios of the stocks in a fund's portfolio. Price/ cashflow shows the ability of a business to generate cash and acts as a gauge of liquidity and solvency. The Price/Book ratio is a weighted average of the price/book ratios of all the stocks in the underlying fund's portfolio. The P/B ratio of a company is calculated by dividing the market price of its stock by the company's per-share book value. Stocks with negative book values are excluded from this calculation. Dividend Yield is the rate of return on an investment expressed as a percent. Yield is calculated by dividing the amount you receive annually in dividends or interest by the amount you spent to buy the investment.

**Fixed-Income Portfolio Statistics (if applicable)**

The referenced data elements below are a weighted average of the long fixed income holdings in the portfolio. Duration measures the sensitivity of a fixed income security's price to changes in interest rates. Average maturity is a weighted average of all the maturities of the bonds in a portfolio, computed by weighting each maturity date by the market value of the security. Modified Duration is inversely related to percentage change in price on an average for a specific change in yield. The average coupon corresponds to the individual coupon of each bond in the portfolio, weighted by the nominal amount of these very same securities. The average coupon is calculated only on fixed rate bonds. The Yield to maturity (YTM) reflects the total return of a bond, if the bond is held until maturity, considering all the payments are reinvested at the same rate. This indicator can be calculated at the portfolio level, by weighting the individual YTM by the market value of each bond.

**Labels**

**SRI Label:** Created by the French Ministry of Finance in early 2016, with the support of Asset Management professionals, this public Label aims at giving Sustainable Responsible Investment (SRI) management an extra visibility with savers. It will make it easier for investors to identify financial products integrating Environmental, Social, and Governance (ESG) criteria into their investment process. To qualify for certification, funds must satisfy several requirements, including: - Transparency vis-à-vis investors (in terms of investment objectives and process, analysis, portfolio holdings, etc.), - Use of ESG criteria in investment decision making, - Long-term approach to investing, - Consistent voting and engagement policy, - Measured and reported positive impacts. More information on [www.labeledisr.fr](http://www.labeledisr.fr)

**Performance fees**

The performance fee applicable to a particular share class is calculated according to an indexed assets approach, i.e. based on a comparison of the valued assets of the UCITS and the reference assets, which serves as a basis for the calculation of the performance fee. The reference period, which corresponds to the period during which the performance of the UCITS is measured and compared to that of the reference index, is capped at five years. The management company shall ensure that, over a performance period of a maximum five (5) years, any underperformance of the UCITS in relation to the reference 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.

**Special Risk Considerations**

**Changing Interest rate:** The value of fixed income securities held by a fund will rise or fall inversely with changes in interest rates. When interest rates decline, the market value of fixed income securities tends to increase. Interest rates typically vary from one country to the next for reasons including rapid fluctuations of a country's money supply, changes in demand by businesses and consumers to borrow money, and actual or anticipated changes in the rate of inflation.

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

**Counterparty risk:** The Fund uses over-the-counter derivatives and/or temporary sales and repurchases of securities. These transactions, undertaken with one or more eligible counterparties, potentially expose the Fund to the risk that one of its counterparties could fail, which could lead to a default in payment.

**Credit risk:** (the risk of the fund's net asset value falling due to an increase in the yield spreads of private issues in the portfolio, or even a default on an issue), as certain alternative management strategies (interest rate arbitrage, distressed securities, convertible arbitrage and global macro in particular) may be exposed to credit. Increases in the yield spreads of private issues in the portfolio, or even a default on an issue, may cause the fund's net asset value to fall.

**Currency risk:** The risk of a fall in a currency other than the euro for a security included in the Fund's portfolio compared to the euro (the Fund's reference currency). The Fund may incur a currency risk as a result of positions in its portfolio denominated in currencies other than the euro. It should also be noted that the use of financial instruments to hedge currency risk entails a cost to the Fund. In this case, as securities denominated in a currency other than the euro are systematically hedged against currency risk, the Fund's exposure currency risk will be residual.

**Equity securities:** Equity securities are volatile and can decline significantly in response to broad market and economic conditions.

**Liquidity risk:** the liquidity risk, which may arise in the event of large-scale redemptions of fund units, is tied to the difficulty in closing out positions under optimal financial conditions.

**Specific risk of securitisation instruments (ABS ...):** for such instruments, credit risk is based mainly on the quality of the underlying assets which, by nature, can vary (bank receivables, debt instruments, etc.). Such instruments are the result of complex structures that may comprise legal risks and specific risks tied to the characteristics of the underlying assets. If such risks are realised, this may cause the fund's net asset value to fall.

**Risk related to temporary sales and repurchases of securities and the management of financial guarantees:** temporary sales and repurchases of securities are likely to create risks for the Fund, such as counterparty risk defined above. The management of guarantees 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 if the counterparty defaults) and, where applicable, the risks associated with the re-use of cash deposited as collateral (i.e., mainly the risk that the Fund cannot repay the counterparty).

**Risk of holding securities with a low or no credit rating:** the Fund reserves the right to hold securities with a low or no credit rating. Thus, the use of "high yield securities" (securities with a higher risk of default and higher volatility) may lead to a significant decrease in the net asset value of the Fund.

**Risk related to holding convertible bonds:** the value of convertible bonds depends on several factors including any changes in interest rates, in the price of the underlying shares and in the price of the option embedded in a convertible bond. These different elements may lead to a decrease in the net asset value of the Fund.

Please refer to the full prospectus, for additional details on risks.

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