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

OSTRUM SRI CREDIT EURO

(Fund with unit classes: E unit, I unit, L unit, GP unit, SI unit and N unit)
Prospectus dated 30 April 2024

I – General characteristics

- ***Name:*** OSTRUM SRI CREDIT EURO
  Hereinafter referred to in this document as the "Fund".

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

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

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

The Fund was authorised by the AMF on 12 February 2002 and launched on 11 March 2002 for a term of 99 years.

- ***Fund overview:***

<table>
<tr><th rowspan="2">Unit classes</th><th colspan="8">Features</th></tr>
<tr><th>ISIN code</th><th>Allocation of distributable income</th><th>Base currency</th><th>Target investors</th><th>Minimum recommended investment period</th><th>Minimum initial subscription</th><th>Minimum subsequent investment</th><th>Initial net asset value</th></tr>
<tr><td>I unit</td><td>FR0011003664</td><td rowspan="4">Accumulation and/or distribution (and/or retained); possibility of interim dividend distribution</td><td rowspan="4">EUR</td><td>All subscribers, units particularly intended for legal entities</td><td rowspan="4">For more than 4 years</td><td>€3,000,000</td><td rowspan="4">None</td><td>€10,000</td></tr>
<tr><td>E unit</td><td>FR0000982217</td><td>All subscribers, units more specifically intended for individuals and legal entities</td><td>€10,000</td><td>€100</td></tr>
<tr><td>L unit</td><td>FR0011521517</td><td>All subscribers, units more specifically intended for individuals and legal entities</td><td>None</td><td>€1,000</td></tr>
<tr><td>GP units</td><td>FR0013241015</td><td>All subscribers and more specifically intended for individuals and legal entities</td><td>€10000</td><td>€100</td></tr>
<tr><td>SI unit</td><td>FR0014008CA3</td><td>Accumulation</td><td></td><td>All subscribers and in particular institutional investors.</td><td></td><td>€25,000,000</td><td></td><td>€100,000</td></tr>
<tr><td>N unit</td><td>FR001400N6F4</td><td>Accumulation</td><td>EUR</td><td>Subscriptions in this unit are reserved for investors subscribing via distributors or intermediaries</td><td></td><td>None</td><td></td><td>100</td></tr>
</table>

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

- ***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 Services 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).

II - <u>Parties involved</u>

- ***Management Company:***

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

  The Fund is managed by the management company in accordance with the guidelines specified for the Fund. The management company acts in all circumstances on behalf of the unitholders.

  To cover potential risks in terms of liability for professional negligence to which the management company may be exposed in the course of managing AIFs, 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, custodian and institution responsible for the clearing of subscription and redemption orders and for keeping the registers of units by delegation from the management company:***

  CACEIS BANK
  Société anonyme à conseil d’administration (public limited company with a board of directors)
  Approved by the ACPR (formerly CECEI) as a bank and investment services provider on 1 April 2005
  –

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

CACEIS Bank is responsible for the custody of the Fund's assets, for verifying that the management company's decisions are lawful, and for liability accounting (clearing of subscription and redemption orders for units, and management of the relevant issuance account).

As set out in the applicable Regulations, the depositary's duties include custody of the assets, verifying that the Management Company's decisions are lawful, and monitoring fund cash flows. The depositary is independent of the Management Company. The description of the delegated custodial duties, the list of custodians and sub-custodians of CACEIS Bank and information relating to conflicts of interest that may result from these delegations are available on the CACEIS website: www.caceis.com. Updated information is available to investors upon request from CACEIS Bank.

- ***Statutory Auditor:***

  MAZARS
  Société anonyme (public limited company)
  IMMEUBLE LE VINCI, 4 ALLEE DE L'ARCHE, 92075 LA DEFENSE CEDEX, FRANCE
  signatory: Mr Bertrand Desportes

- ***Marketing agents:***

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

  LA BANQUE POSTALE
  115 RUE DE SEVRES, 75275 PARIS CEDEX 06, FRANCE

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

- ***Representatives:***

Delegation of financial management:

OSTRUM ASSET MANAGEMENT

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

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

Delegation of accounting:

CACEIS FUND ADMINISTRATION

Société anonyme (public limited company)
Registered office: 89–91 Rue Gabriel Péri, 92120 Montrouge, France
Postal address: 12 Place des États-Unis, CS 40083, 92549 Montrouge Cedex, France

- ***Advisors***: none.

III – <u>Operating and management procedures</u>

III-1 General features

- ***Unit or share features:***
  - Rights attached to the unit class: each unitholder has co-ownership rights to the Fund's assets, proportional to the number of units held.

- Liability accounting: liability accounting is provided by CACEIS Bank. Units are admitted to Euroclear France.
- Voting rights: no voting rights are attached to the units.

  The voting rights attached to the securities held by the Fund are exercised by Ostrum Asset Management.

  Information on the voting policy and the report on the conditions for exercising Ostrum Asset Management's voting rights are available at www.ostrum.com.
- Type of units: units are issued in bearer or registered form.
- Decimalisation: Subscriptions and redemptions may be made in amounts or in number of units, split into hundred-thousandths.

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

Last day of calculation of the net asset value in December.

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

The Fund is not subject to corporation tax, but any distributions or capital gains or losses related to the holding of units in the Fund may be subject to taxation. The tax system applicable to amounts distributed by the Fund or to its realised or unrealised 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.

Investors are advised to contact their tax advisor or marketing agent if they have any doubts relating to their tax situation.

III-2 Special provisions:

- ***ISIN codes:***

E unit: FR0000982217

I unit: FR0011003664

L unit: FR0011521517

GP unit: FR0013241015

SI unit: FR0014008CA3

N unit: FR001400N6F4

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

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

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

- ***Management objective:***

The Fund has two management objectives:

- To try to outperform, over the recommended investment period of more than four years, its benchmark indicator, the Bloomberg Euro-Aggregate Corporate 500MM Total Return (EUR) index net coupons reinvested, 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

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

- ***Benchmark:***

The benchmark is the Bloomberg Euro-Aggregate Corporate 500MM Total Return (EUR) index, net coupons reinvested.

The Bloomberg Euro-Aggregate Corporate 500MM Total Return (EUR) index, calculated and published by Barclays, is made up of private issues denominated in euros, with an accumulation of more than 500 million euros.

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

As of the date of this prospectus, the administrator of the benchmark is not recorded on the register of administrators and benchmarks held by ESMA.

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

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 those securities eligible for SRI analysis: debt securities issued by private and quasi-public issuers. The Fund is SRI-labelled.

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 70% of the net assets of the Fund.

The initial investment universe includes private or public entities from the OECD zone, rated "Investment Grade" or with a rating of at least "BB-", according to the main existing rating agencies such as Standard&Poor's, Moody's, Fitch, and issuing negotiable debt securities and/or bonds, denominated in euros.

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. As such, the eligible investment universe is defined as the initial investment universe minus the prohibited securities.

The analysis of the eligible universe is based on a proprietary multi-source non-financial rating tool from La Banque Postale Asset Management, made available to the delegated financial manager. The analysis of environmental, social and governance criteria is conducted 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 four pillars that enables a pragmatic, 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 from private issuers denominated in euros, including convertible bonds, while taking 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 by carrying out strategies to buy or sell protection on an issuer through credit derivatives;
- boosting performance by investing in convertible or high-yield bonds, both to benefit from additional returns and to generate capital gains;
- management of the portfolio's overall modified duration and monitoring its allocation by maturity. The modified duration of the portfolio will remain within the range [3; 7].

For government securities:

Investments in government securities are made based on internal analyses of issuers' financial and non-financial quality. These are based on analyses by macroeconomic 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, approved by the exclusion committee) are thus eligible for the Fund, provided that the Fund's average non-financial rating meets the above condition.

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

The Fund's SRI approach could lead to underrepresentation 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		**3**	**7**
Geographical region of issuers of securities	Issuers from all geographical areas, issuing in euros	110%	

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

<u>Techniques and instruments used</u>

Assets (excluding embedded derivatives)

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

The Fund is primarily invested in debt securities and money market instruments denominated in euros (fixed-rate, variable-rate, adjustable-rate or indexed securities). The Fund may invest in securities denominated in a currency of an OECD member country other than the euro.

These securities are either government bonds or private sector issues (including securitisation instruments, ABS for a maximum of 5% of net assets), where private sector issues are preferred. Government securities may represent a maximum of 70% of the Fund's net assets.

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

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

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

Using the same methodology, the Fund may also hold securities with a rating lower than BBB-/Baa3, known as "non-Investment Grade" (speculative securities) up to a limit of 20% of net assets. These "non-Investment Grade" securities are authorised for investment and not only in the event of a downgrade.

The Fund may invest up to 10% of net assets in unrated securities. Unrated securities must be internally assessed by the Management Company.

Unrated securities and "non-Investment Grade" securities may not exceed 20% of overall net assets.

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

Securities are chosen on the basis of their profitability, the quality of the issuer, their maturity and their liquidity.

The sale of a debt security is not based exclusively on the rating criterion, but also on an internal analysis of credit risks and market conditions.

The Fund may also invest up to 10% of its net assets in contingent convertible bonds (known as "CoCos" or "Additional Tier 1"). These are hybrid securities since they combine bond and equity characteristics. They include a safeguard mechanism which converts them into ordinary shares or reduces their capital in the event of trigger events that are generally defined contractually. Due to their specific structuring and position in the issuer's capital structure (subordinated debt, repaid after senior debt), they may offer a higher return (in return for higher risk) than traditional bonds. In the event of conversion into shares, the Fund may hold up to 10% of its net assets in equities.

- <u>Units or shares of other UCITS, AIFs or foreign investment funds</u>

Up to 10% of the net assets may also be invested in units or shares of French or European UCITS (including ETFs/trackers[1]), as well as in units or shares of other UCIs governed by French or foreign law or investment funds formed on the basis of foreign law that comply with the criteria set out in Article R214-13 of the French Monetary and Financial Code.

These funds may specialise in management strategies that the FCP does not use as part of its investment strategy, for example in high-yield bonds. This diversification will remain ancillary and aims to create added value within the framework of controlled risk.

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

If these are not internal UCIs, disparities in the SRI approach may exist between those used by the Fund's management company and those adopted by the management company which manages the selected external UCIs. Furthermore, these UCIs will not necessarily have an SRI approach. In any case, the Fund's management company will prioritise the selection of UCIs with an SRI approach that is compatible with its own philosophy.

Derivatives

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

- Interest rate futures and options or futures and options on interest rate indices on French and/or foreign regulated or organised markets, or over-the-counter markets and 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 3 and 6, 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. Single name CDS may be purchased for hedging purposes. Long positions on single-name CDS where the corresponding security is not held are not authorised in the Fund. Exposure via the sale of single-name CDS is authorised as long as it adheres to the portfolio's ESG strategy.
- The Fund uses TRS (total return swaps) to swap the performance between a money market index and a benchmark index, for instance an index representing the credit market for the purposes of hedging and/or temporary exposure. The Fund may use TRSs for a maximum of 100% of the net assets.
- Futures and options on equities or equity indices 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 or expose 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 or exposure purposes: these instruments will be used in particular to hedge the currency risk on the portfolio or expose it.
- Index swaps (including volatility, inflation and dividends) for interest rate, equity and currency hedging or exposure: these instruments will be used to hedge the risk linked to the index on the portfolio or on one or several securities in particular, to increase the portfolio's exposure.

The counterparties to total return swaps (TRS) are credit institutions or other entities meeting the criteria listed in the French Monetary Financial Code. The Management Company shall enter into such contracts with financial institutions that have their registered office in a member state of the OECD and a minimum rating that meets the requirements of the Management Company.

These transactions are systematically covered by a signed contract between the Management Company and the counterparty that defines the procedures for reducing counterparty risk.

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

The indices underlying these instruments (such as the iTraxx indices for Credit Default Swaps) are re-balanced at least once every six months or even once every three months, depending on the instrument, at no cost to the Fund portfolio.

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

The maximum investment across all of these markets is 100% of the Fund's net assets.

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 up to 110% of its net assets in callable and puttable bonds.

Cash borrowings

[1] 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.

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

Cash borrowings

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

Repurchase and reverse repurchase agreements on securities:

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

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

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

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

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

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

The counterparties are leading credit institutions and/or first-rate investment companies. They are selected and regularly assessed in accordance with the counterparty selection procedure, which is available on the management company's website: www.im.natixis.com (see section "Our commitments", "Intermediary/counterparty selection policy") or upon request from the Management Company. These transactions are systematically covered by a signed contract between the Fund 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 Fund's 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 on the principal adverse impacts of investment decisions on sustainability factors taken into account by the Delegated Investment Manager:***

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

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

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

- ***Risk profile:***

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

- Interest rate risk: this is the risk of a fall in the value of interest rate instruments due to fluctuations in interest rates. It is measured by modified duration. When interest rates rise, the net asset value of the Fund may decrease sharply.
- Credit risk: in the event of 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. Consequently, the use of high-yield securities (securities with a higher risk of default and greater volatility) may lead to a significant fall in the net asset value.
- 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 Fund provides no guarantees in terms of capital or performance.

- 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 lead to a fall 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).

- Foreign exchange risk: this is the downside risk of quote currencies of financial instruments in which the Fund is invested compared to the portfolio's reference currency, the euro. However, due to the Fund's investment strategy, the currency risk is essentially hedged so as to remain ancillary.
- Liquidity risk: the liquidity risk, which can arise when Fund units are redeemed on a large scale, corresponds to the difficulty of unwinding positions under optimal financial conditions.

- Risk associated with holding convertible bonds: the value of convertible bonds depends on several factors: the level of interest rates, changes in the price of the underlying securities, changes in the price of the derivative embedded in the convertible bond. These various elements may result in a decrease in the net asset value of the Fund.
- 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 of the 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 to the extent that the Fund’s exposure to equity risk is 10% maximum.
- Risk associated with investments in contingent convertible bonds: CoCos are hybrid securities, whose main purpose is to enable the recapitalisation of the issuing bank or financial company in the event of a financial crisis. These securities have loss-absorption mechanisms, outlined in their issue prospectuses, which are generally activated if the issuer’s capital ratio falls below a certain trigger threshold.

  The trigger is first and foremost mechanical: it is generally based on the CET1 (Common Equity Tier 1) accounting ratio compared to risk-weighted assets. To compensate for the discrepancy between book values and financial reality, there is a discretionary clause that lets the supervisor trigger the loss-absorption mechanism if they consider that the issuer is insolvent.
  Consequently, CoCos are subject to specific risks, in particular subordination to specific triggering criteria (e.g. deterioration of the equity ratio), conversion into shares, loss of capital or non-payment of interest.
  The use of subordinated bonds, particularly “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 may be cancelled by the issuer at any time, for any reason, and with no time constraint.
  - 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 as a complexity premium.
- Risk associated with the holding of securities with a low or non-existent rating: the Fund reserves the right to hold securities with a low or non-existent rating. Consequently, the use of high-yield securities (securities with a higher risk of default and greater volatility) may lead to a significant fall in the net asset value.
- Risk associated with 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).
- Risk specific to securitisation instruments (ABS, etc.): for these instruments, which are limited to 5% of net assets, the credit risk is largely determined by the quality of the underlying assets, which may vary in nature (bank debt, debt securities, etc.). These instruments are complex and may involve legal risks and specific risks linked to the characteristics of the underlying assets. Should these risks materialise, the Fund’s net asset value may fall.

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

All subscribers.

E unit is more specifically intended for individuals and legal entities, with a minimum initial investment of €10,000.

I unit is more specifically intended for legal entities with a minimum initial investment of €3,000,000.

L unit is more specifically intended for individuals and legal entities and has no minimum initial investment.

GP unit is intended more specifically for individuals and legal entities.

The SI unit is for all subscribers and in particular institutional investors.

N units are primarily intended for investors subscribing via distributors or intermediaries that:

- are subject to national legislation prohibiting all retrocessions to distributors (e.g. in the United Kingdom or the Netherlands)
- provide an independent advisory service as defined by the European MiFID II regulation or an individual portfolio management service under mandate.

The Fund is specifically intended for investors wishing to benefit from the surplus remuneration offered by private sector issuers. Investors are thus exposed to the risks listed in the “Risk profile” section.

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

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

Subscribers residing in the territory of the United States of America are not permitted to subscribe to this Fund.

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

- ***Recommended investment period:***

The recommended investment period is more than four years.

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

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

Distributable income consists of:

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

The sums mentioned in points 1. and 2. may be distributed and/or accumulated and/or carried forward, in full or in part, independently of each other.

The distributable income is to be paid, where necessary, no more than five months after the end of the financial year.
E, I, L and GP units are accumulation and/or distribution and/or carried forward units, both for component 1 and for component 2. They may make interim dividend payments.
The SI unit is an accumulation unit of net income and net realised capital gains.
The N unit is an accumulation unit of net income and net realised profits.

- ***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 six unit classes: E, I, L, GP, SI and N units.
The units are denominated in euros and are split into hundred-thousandths of units.

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

- <u>Subscription and redemption procedures and conditions:</u>

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 of subscription orders before 12:15 a.m. (La Banque Postale) / 1:00 p.m. (CACEIS Bank)	Clearing of redemption orders before 12:15 a.m. (La Banque Postale) / 1:00 p.m. (CACEIS Bank)	Execution of the order on D at the latest	Publication of the net asset value	Settlement of subscriptions (CACEIS Bank)	Settlement of redemptions (CACEIS Bank)

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

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

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

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

Minimum subscription amount:

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

I unit:
Minimum initial subscription: €3,000,000.
Minimum subsequent subscription amount: none.

L unit:
Minimum initial subscription: none.

Minimum subsequent subscription amount: none.

GP unit:

Minimum initial subscription: €10,000.

Minimum subsequent subscription amount: none.

SI unit:

Minimum initial subscription: €25,000,000.

Minimum subsequent subscription amount: none.

N unit:

Minimum initial subscription: none.

Minimum subsequent subscription amount: none.

- Address of the institution appointed to receive subscriptions and redemptions:

CACEIS Bank

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

Postal address: 12 Place des États-Unis, CS 40083, 92549 Montrouge Cedex, France

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

The net asset value is calculated and published daily, with the exception of public holidays as defined by the French Labour Code and days on which the Paris stock exchange is closed.

The method used to calculate the net asset value is outlined in the "Asset valuation and accounting rules" section.

The net asset value is available from the Management Company and on the website www.im.natixis.com.

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.

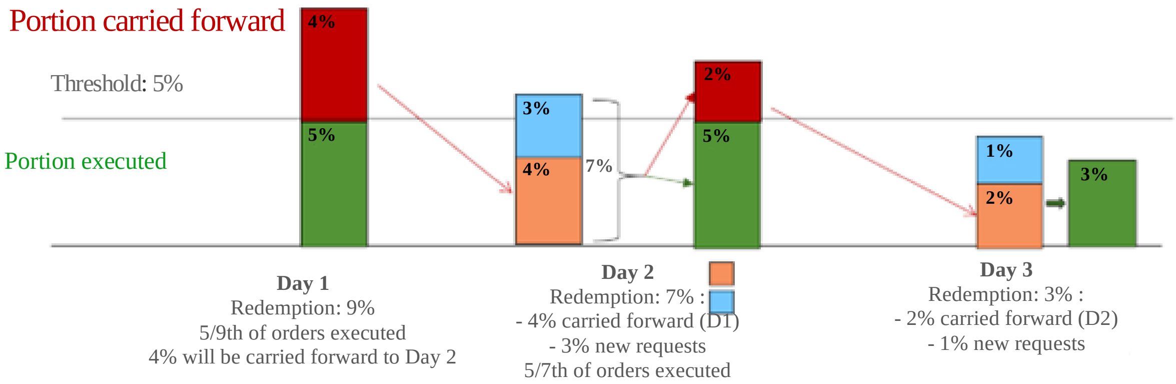
Information procedures for unitholders:

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, ≅ 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%, ≅ 2% of the requests will therefore not be executed on Day 2 and will be carried forward to Day 3.

- ***Fees and commissions***

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

- Management fees

Fees charged to the investor payable at the time of subscription or redemption	Base	Interest rates Scale					
		E unit	**I unit**	**L unit**	**GP unit**	**SI unit**	**N unit**
Subscription fee payable to third parties	Net asset value x number of units	• Subscriptions with the La Banque Postale marketing agent network: ▪ 1% for subscriptions below €50,000; maximum rate, ▪ 0.75% for subscriptions greater than or equal to €50,000 and less than €100,000; maximum rate, ▪ 0.50% for subscriptions greater than or equal to €100,000; maximum rate. • Subscriptions to other marketing agent networks: 1.50% maximum rate.	• None.	• 2% maximum rate	▪ 1.5% maximum rate	▪ None.	▪ 2.5%
		Nil for subscriptions from UCIs managed by La Banque Postale Asset Management or a legally linked company/a company of the NATIXIS INVESTMENT MANAGERS group					
		• Nil for the reinvestment of dividends within three months of their payment date. • Nil for subscriptions made by a unitholder following a redemption request for the same number of securities and the same net asset value.					
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.					

Fees charged 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					
			E unit	I unit	L unit	GP unit	SI unit	N unit
1	Financial management fees and administrative fees not related to the Management Company	Net assets	Maximum 0.70% incl. tax	Maximum 0.40% incl. tax	Maximum 1.10% incl. tax	Maximum 0.65% incl. tax	Maximum 0.31% incl. tax	Maximum 0.40% incl. tax
2	Maximum indirect charges (management fees and charges)	Net assets	None.					
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: fixed fee of €0 to €2.50 per contract, a financial contract traded on an OTC market: commission proportional to the notional amount from 0 to 0.02%.					
4	Performance fee	Net assets	None.					

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 a procedure to assert a right (e.g. class action procedure).

Information relating to 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.

Description of the procedure for selecting intermediaries:

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

Information on repurchase and reverse repurchase agreements on securities:

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

Information on the risks of potential conflicts of interest associated with the use of temporary purchases and sales of securities

The delegated financial manager has entrusted the intermediation service to Natixis TradEx Solutions, a French public limited company (société anonyme) with share capital of €15 million; Natixis TradEx Solutions obtained a banking licence for investment services from the ACPR on 23 July 2009. Both companies belong to the same group.

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

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

In order to improve the portfolios' yields and financial income, the delegated 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.

IV - Commercial information

Subscription and redemption orders received by LA BANQUE POSTALE's sales network before 12.15 p.m. are executed on the basis of the next published net asset value.

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

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

The minimum initial subscription for I units is €3,000,000.

There is no minimum initial subscription for L units.

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

The minimum initial subscription for SI units is €25,000,000.

There is no minimum initial subscription for N units.

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

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

DISTRIBUTION OF THE PROSPECTUS AND ANNUAL AND INTERIM DOCUMENTS

• These documents will be sent to unitholders upon written request to:
Natixis Investment Managers International
Direction 'Service Clients' [Customer Service Department]
43 avenue Pierre Mendès France, 75013 Paris, France
ClientServicingAM@natixis.com

These documents will be sent within eight business days.

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

• Further information can be obtained from NATIXIS.

COMMUNICATION OF THE NET ASSET VALUE

The net asset value can be obtained from Natixis Investment Managers International and on the website www.im.natixis.com

COMMERCIAL DOCUMENTATION

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

INFORMATION IN THE EVENT OF A CHANGE IN THE UCITS' OPERATING PROCEDURES

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CRITERIA

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

V - Investment rules

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

It may use the exemption ratios provided for in R214-21 IV(1) and R214-23 of the French Monetary and Financial Code with regard to securities issued or guaranteed by Member States of the European Union or by other States parties to the agreement in the European Economic Area.

VI - Overall risk

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

VII - <u>Asset valuation and accounting rules</u>

The Fund complies with the accounting rules prescribed by current regulations, and specifically with the UCI chart of accounts. The accounting currency is the euro.
The portfolio's assets, including collateral, as described in the prospectus, are valued according to the following applicable rules:

<u>Valuation method:</u>

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

- Financial instruments traded on a regulated European market are valued on each trading day on the basis of the day's closing price.
- Financial instruments traded on a regulated market in the Asia-Pacific region are valued on each trading day on the basis of the day's closing price.
- Financial instruments traded on a regulated market in the America zone are valued on each trading day on the basis of the day's closing price, or failing that, at the day's last listed price.

Financial instruments traded on a regulated market outside the European Monetary Union are valued on each trading day based on the price on their main market, converted into euros in line with the WM Reuters rate 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 investment funds are valued at the last known net asset value or, failing that, at their last estimated value.

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With the exception of bonds issued by eurozone countries, the price of which is published on representative databases or provided by market specialists, negotiable debt securities and similar securities (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 application of the swap rate calculated by interpolation over the corresponding maturity, plus or minus a margin estimated according to the intrinsic characteristics of the security's issuer.

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

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

In the case of transferable securities that are 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 involving futures and options traded on organised markets in the European Monetary Union are valued each trading day on the basis of the clearing price on the valuation day.
- Transactions involving futures and options traded on foreign organised markets are valued each trading day on the basis of the price on their main market converted into euros according to the WM Reuters price recorded at 4:00 p.m. London time.
- Commitments corresponding to transactions on the futures markets are recorded off-balance sheet at their market value, while those corresponding to transactions on the options markets are translated into their underlying equivalent.

Interest rate and currency swaps are valued as follows:

- Interest rate and/or currency swaps are appraised at their market value based on a price calculated by discounting future cash flows (principal and interest) at market interest rates and/or exchange rates.
- The combination of a security and its interest rate and/or currency swap contract may be subject to an overall valuation at the market rate and/or the rate of the currency resulting from the swap pursuant to the terms of the contract. This method can only be used in the specific case of a swap allocated to an identified security. By assimilation, the combination is then valued as a debt security.
- Credit default swaps (CDS) are valued according to the Upfront Standard method published by the International Swaps and Derivatives Association (ISDA).

Term deposits are recorded and valued at their nominal amount. This amount is increased by the associated accrued interest.

Other swap transactions or balance sheet products with complex derivatives are valued by means of models using analytical (Black&Scholes) or digital (Monte Carlo type) methods approved by the management company.

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 method

Income is recognised in accordance with the coupon received method.

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

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.

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

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

Product name: OSTRUM SRI CREDIT EURO
Legal entity identifier: 9695 00WV4MW9Z1AZEM 41

Environmental and/or social characteristics

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

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.

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

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

The fund promotes environmental and social characteristics by implementing an ESG (Environment, Social, Governance) strategy based on the selection of issuers to improve the ESG profile of the portfolio in a measurable and meaningful way. 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 40% in sustainable investments.
- Selecting the highest-rated issuers based on an ESG rating with the objective of:
  - ensuring that the portfolio's average ESG score, weighted by outstanding amounts, remains better than that of its initial filtered investment universe*;
  - maintaining a portfolio carbon intensity that, weighted by outstanding amounts, is lower than that of the initial investment universe.

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

*The filtered initial investment universe is defined as the initial investment universe (private or public entities in the OECD (Organisation for Economic Co-operation and Development) area, rated "Investment Grade" or whose worst rating is "BB-" according to the main existing rating agencies such as Standard & Poor's, Moody's, Fitch and issuing negotiable debt instruments and/or bonds denominated in euro), which excludes 20% of issuers with the lowest ESG ratings within each issuer category (including the most controversial issuers according to Ostrum Asset Management's exclusion and sectoral policies and the lowest-rated issuers) and sovereign debt.

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

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

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

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

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

In addition, the manager applies Ostrum Asset Management's exclusion policies

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

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

1. Quantitative measurement of PAIs

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

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

Ostrum Asset Management takes into account PAIs corresponding to indicators monitored by the portfolio by integrating them into its rating methodology or establishing a fund-specific investment restriction. For example, the fund's carbon intensity is monitored and must be 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 Asset Management'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 Asset Management 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 exclusions: issuers involved in the use, development, production, marketing, distribution, stockpiling or transfer of anti-personnel mines and cluster bombs in accordance with the treaty signed by the French government. Funds directly managed by Ostrum Asset Management do not invest in companies that produce, sell or stockpile anti-personnel mines and cluster bombs.
- 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?

X 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 Asset Management website (https://www.ostrum.com/en/our-csr-and-esg-publications).

If one or more PAIs are monitored by the fund, they are taken into consideration by the Delegated 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. The Fund is SRI-labelled.

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 70% of the Fund's net assets.

The initial investment universe includes private or public entities from the OECD zone, rated “Investment Grade” or with a rating of at least “BB-”, according to the main existing rating agencies such as Standard’s, Moody’s, Fitch, and issuing negotiable debt securities and/or bonds, denominated in euros.

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 multi-source non-financial rating tool made available to the delegated investment manager. 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 delegated 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 Asset Management’s exclusion and sectoral policies and the lowest-rated issuers).

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

The fund will hold a minimum of 40% in sustainable investments.

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

- maintaining a portfolio carbon intensity that, weighted by outstanding amounts, is lower than 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?

- ensuring that the average ESG score of the portfolio, weighted by outstanding amounts, remains better than the average ESG score of the filtered initial investment universe;
- Maintaining a portfolio carbon intensity that, weighted by outstanding amounts, is lower than the carbon intensity of the initial investment universe;
- Holding at least 40% 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 Asset Management's exclusion, sectoral and worst offenders policies can be found at 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 Investment Manager, Ostrum Asset Management.

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 Asset Management 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).

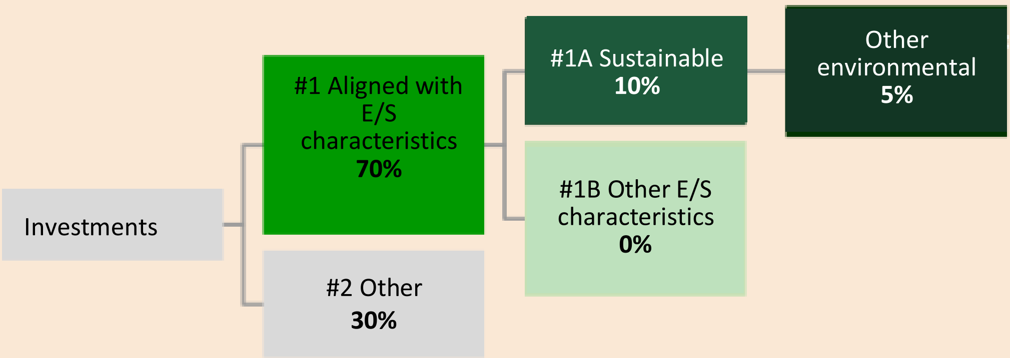
Each issuer has an overall rating and a pillar-specific rating. The rating is updated every six months to take into account the updated indicators supplied by the data providers.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The share of investments aligned with E/S characteristics is at least 70%. Investments aligned with E/S characteristics will be at least 40% 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).

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



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

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

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

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

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

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

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

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy,** the criteria include comprehensive safety and waste management rules.
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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

☐ Yes:

☐ In gas ☐ In nuclear energy

☒ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy 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.

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

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

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

2. 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?

The Fund applies a minimum investment of 5% in sustainable investments with an environmental objective.

What is the minimum share of socially sustainable investments?

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

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

The following investments are included in "#2 Other": 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

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

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

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable

Where can I find more product-specific information online?

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

https://www.ostrum.com/en/fund/4069/ostrum-sri-credit-euro