UCITS governed by
European Directive 2009/65/EC

OSTRUM SRI EURO BONDS 1-3

PROSPECTUS

Dated 30 April 2024

A - General features

Units	Target subscribers	Minimum initial subscription amount	Minimum subsequent subscription amount	ISIN code	Allocation of distributable income	Base currency	Initial Net Asset Value
R C	All subscribers	1 ten-thousandth of a unit	1 ten-thousandth of a unit	FR0010657387	Net income: Accumulation Net realised capital gains: Accumulation	Euro	EUR 100
R D	All subscribers	1 ten-thousandth of a unit	1 ten-thousandth of a unit	FR0013381050	Net income: Distribution Net realised capital gains: Accumulation	Euro	EUR 100
I	Reserved for institutional investors and legal entity unitholders	EUR 10,000	1 ten-thousandth of a unit	FR0010208421	Net income: Accumulation Net realised capital gains: Accumulation	Euro	EUR 1,524.49
M C	Reserved for general-purpose feeder UCITS marketed in the Banque Populaire and Caisse	1 unit	1 ten-thousandth of a unit	FR0010655431	Net income: Accumulation Net realised capital gains: Accumulation	Euro	EUR 2,000

	d'Epargne groups						
N C	Subscription to this unit is reserved for investors subscribing via distributors or intermediaries that are subject to national legislation prohibiting all retrocessions to distributors, or that provide an independent advisory service as defined by the European MiFID II regulation or an individual portfolio management service under mandate	1 ten-thousandth of a unit	1 ten-thousandth of a unit	FR0013311081	Net income: Accumulation Net realised capital gains: Accumulation	Euro	EUR 100

A-1 Form of the UCITS

• ***Name:*** OSTRUM SRI EURO BONDS 1-3

• ***Legal form:*** French mutual fund (hereinafter the "**Fund**").

• ***Inception date and expected term:*** The Fund was created on 4 October 1993 for an initial term of 99 years.

• ***Date of AMF approval:***
The Fund was approved by the Autorité des marchés financiers (AMF), the French financial markets authority, on 26 August 1993.

• ***Summary of the management offer:***

• ***Address from which the Fund regulations***, ***the latest annual and interim reports and the asset composition can be obtained:***
The latest annual report as well as asset composition details will be sent to the unitholder within eight business days of receipt of a written request to:
Natixis Investment Managers International
43 Avenue Pierre Mendès France 75013 Paris, France
Email: ClientServicingAM@natixis.com

Any additional information can be obtained from Natixis Investment Managers International at this same address, or from your normal advisor.

• ***Information for professional investors***:

Natixis Investment Managers International may send professional investors who are subject to the control of the ACPR, AMF or equivalent European authorities the UCI portfolio composition for the purpose of calculating the regulatory requirements related to Directive 2009/138/EC (Solvency II).

A-2 Parties involved

• Management company:

- Company name: Natixis Investment Managers International.
- Legal form: A société anonyme (limited liability company) authorised by the Commission des operations de bourse (former French financial markets regulator, now the AMF), to operate as a Portfolio Management Company on 22 May 1990 under number GP 90.009.
- Registered office: 43 Avenue Pierre Mendès France, 75013 Paris, France

• Delegated depositary, custodians and subscription/redemption order centralising agents:

- Company name: CACEIS BANK.
- Legal form: credit institution approved by the ACPR.
- Registered office: 89-91, rue Gabriel Péri – 92120 Montrouge, France
- Postal address: 12, place des Etats-Unis – 92549 Montrouge, France

The role of the depositary includes the duties, as defined by the applicable Regulations, of safekeeping the assets, checking that the decisions of the management company are lawful and monitoring UCITS cash flows.

The depositary is independent of the management company.

The description of the delegated custodian duties, the list of delegates and sub-delegates of CACEIS Bank and information relating to conflicts of interest that may result from such delegations are available on the CACEIS website at http://www.caceis.com.

Up-to-date information is available to investors upon request.

• Statutory auditor:

- Company name: Cabinet DELOITTE & ASSOCIES
- Registered office: 185 avenue Charles de Gaulle, 92524 Neuilly-sur-Seine CEDEX, France
- Signatory: Mr Olivier Galienne

• Marketing agents:

- Name or company name: Natixis Investment Managers International
- Legal form: A société anonyme (limited liability company) authorised by the Commission des operations de bourse (now the AMF), to operate as a Portfolio Management Company on 22 May 1990 under number GP 90.009.
- Registered office: 43 Avenue Pierre Mendès France, 75013 Paris, France

The marketing agent is the entity that markets the Fund. The management company would like to remind subscribers that not all marketing agents are appointed by or known to the company.

• Party responsible for accounting management:

- Name or company name: CACEIS Fund Administration
- Registered office: 89-91, rue Gabriel Péri – 92120 Montrouge, France
- Postal address: 12, place des Etats-Unis – 92549 Montrouge Cedex, France
- Nationality: CACEIS Fund Administration is a company under French law.

This delegation of responsibility covers all aspects of accounting management.

• *Delegation of financial management:*
Company name: Ostrum Asset Management
Legal form: A société anonyme (limited company) authorised by the Autorité des marchés financiers to operate as a Portfolio Management Company
Registered office: 43 avenue Pierre Mendès France, 75013 Paris, France

• *Advisors:* Not applicable.

B - Operating and management procedures

B-1 General features

- ***Unit features:***

- Right associated with the unit class:
  Each unitholder has a co-ownership right to the Fund's assets that is proportional to the number of units held. The unitholder does not have any of the rights related to the position of a company shareholder and in particular not the voting right.
- Listing of units in Euroclear France
- Voting rights: The units do not carry any voting rights.

The voting rights attached to securities held by the Fund are exercised by Ostrum Asset Management. Information on Ostrum Asset Management's voting policy and the report on the conditions for exercising voting rights are available on the website https://www.ostrum.com/en.

- Type of units: Bearer
- Fractions of units provided for: Units are divided into ten-thousandths, known as fractions of units.

• *Financial year-end:*
Last trading day in March of the Paris stock exchange.
First year-end: last trading day in March 1994.

• ***Information on the taxation system:***
- The Fund, a co-ownership of transferable securities, is not subject to corporation tax in France and is not considered as a French tax resident as defined under French law.
- The tax system applicable to any income, compensation and/or capital gains that may be distributed by the Fund or associated with the holding of units in this Fund depends on the tax provisions applicable to the unitholder's individual situation. These tax provisions may vary depending on the jurisdiction of tax residence of the unitholder and that/those of the transactions made in connection with management of the Fund. Any unitholders who are unsure of their tax situation should contact an advisor or a professional.
- Any income, compensation and/or capital gains relating to transactions made in connection with the management of the Fund and/or the holding of units in the Fund may be subject to withholding tax and/or deductions at source in the various jurisdictions concerned. However, any income, compensation and/or capital gains are not subject to additional withholding tax in France due to their distribution by the Fund.

It is recommended in any event that unitholders ask for information from an advisor if they have questions about their tax situation.

B-2 Special provisions

• ISIN codes:
R C units: FR0010657387
R D units: FR0013381050
I units: FR0010208421
M C units: FR0010655431
N C units: FR0013311081

• Classification: Bonds and other debt securities denominated in euros.

• Holding of shares or units in other UCIs (UCITS or AIFs) or investment funds:
The level of exposure of the Fund to units or shares of UCITS, AIFs or investment funds is lower than 10% of the Fund's net assets.

• Management objective:
The Fund has two objectives:
- To seek to outperform the Bloomberg Euro Aggregate Treasury 1-3 year index
- 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 disclosures on the environmental or social characteristics of this Fund, required by Regulations (EU) 2019/2088 "SFDR" and (EU) 2020/852 "TAXONOMY", are appended to this prospectus.

• Benchmark indicator:
The benchmark indicator representing the Fund's management universe is the Bloomberg Euro Aggregate Treasury 1-3 year index (closing price). This index is representative of the performance of Eurozone government bonds with a maturity of between 1 and 3 years. Information on the Bloomberg Euro Aggregate Treasury 1-3 year index is available at https://www.bloomberg.com.

As the Fund is not an index fund, its performance may differ significantly from that of the benchmark, depending on the management choices made.
As of the date of this prospectus, the administrator of the benchmark index is not recorded on the register of administrators and benchmark indices held by ESMA.

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

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:

<u>1) Strategies used to achieve the performance objective</u>:

The Fund invests in securities issued or guaranteed by countries in the European Economic Area (EEA), or issued by supranational agencies, whether they are fixed-rate, variable-rate or inflation-indexed securities.

The securities comply with eligibility requirements for the LCR liquidity ratio: transferable assets of an extremely high credit quality (HQLA – High Quality Level Asset – Level 1) according to the manager's criteria.

The Fund always has an ancillary cash component that is not eligible as such for the LCR ratio but allows requests for the purchase of units or shares to be met at all times and ensures the intrinsic liquidity of the fund.

This investment strategy has the following characteristics:

The portfolio is constructed by allocating sources of added value: active management of modified duration, active management of the yield curve, country selection and possible diversification into inflation-indexed securities or supranationals and agencies. This construction is based on tactical choices regarding the above criteria and the analysis of the relative value of the securities comprising the investment universe.

The main source of added value stems primarily from a rigorous and structured investment process with the aim of profiting from:

- the active management of the portfolio's modified duration (the process of selecting securities and using forward financial instruments to alter the portfolio's modified duration, and thus cause it to vary in relation to that of its benchmark index, within a range of 0 to 4 at its broadest and 1 to 3 in its target range);

- the active management of the yield curve: this consists of selecting the most attractive areas of the euro yield curve in terms of return and according to the yield curve distortion scenarios drawn up by management committees;

- the diversification of the portfolio, particularly via inflation-indexed bonds to anticipate changes in the level of inflation.

		Minimum	**Maximum**
Interest rate modified duration range		0	4
Distribution by geographical region of issuers*	EEA	0%	200%
	Outside EEA	0%	0%

*Calculations carried out as % of the Fund's Total Exposure

2) Socially responsible investment (SRI) strategy

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

1. The non-financial analysis

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

The exclusion policy is applied to the initial investment universe.

The Fund applies 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 ESG policies can be found on its website at www.ostrum.com

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

Up to 70% of the portfolio may be composed of debt securities, including sovereign debt and debt securities other than green bonds. These securities are not considered eligible for the SRI label, however, they have an ESG rating.

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

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/.

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

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

The non-financial evaluation of sovereign and equivalent issuers (government agencies, local authorities etc.), carried out by the Investment Manager, is based on the SDG Index, which is based on the 17 SDGs. Available to all management teams, the SDG Index is published by the

SDSN (Sustainable Development Solutions Network — a global UN initiative) and the Bertelsmann Stiftung (a foundation under German law) for sovereign securities.

The SDG Index collates all available data for each of the 17 SDGs and produces an evaluation report comparing countries' performances. Its main role is to help each country (i) to identify priorities surrounding sustainable development and put in place an action plan, as well as (ii) to understand the challenges and identify weaknesses that need to be addressed in order to achieve the SDGs by 2030. The index also allows each country to compare itself with the region it belongs to, or with other "comparable" countries, which have been given similar ratings.
The SDG Index is a numerical score between 0 (the worst rating) and 100 (the best rating), which tracks the progress made by countries for each of the SDGs. The report drawn up by the SDG Index also shows the SDG Dashboards for each country covered.

In order to evaluate each of these goals, the SDG Index relies upon official data (provided by national governments or international organisations) and unofficial data (collected by non-state actors such as research institutes, universities, NGOs and the private sector). Half of the official data used comes from three organisations: the OCDE, WHO and UNICEF.

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

For example, non-financial criteria used may include the following:

- Social: Public spending on education (% of GDP): General public spending on education (current, in capital and transfers) is expressed as a percentage of GDP. It includes spending financed by transfers from international sources to the government. Public authorities generally refer to local, regional and central authorities. (Source: World Bank)
- Governance: The proportion of seats occupied by women in national parliaments (%). Women in parliament is the percentage of parliament seats in a single or lower house held by women.
- Human rights: Ratio of the average number of years of education women and men receive (%). The average number of years of education received by women aged 25 or more, divided by the average number of years of education received by men aged 25 or more.

Although government securities that are not green bonds are subject to ESG assessment based on the Sustainable Development Goals outlined above, the results of the assessment are not measurably reflected in the SRI strategy described below (See Section 2 Selection of issuers).

2. Selection of issuers

The portfolio is built following a "Best-in-Universe" approach.

The average ESG rating of the universe of assets "eligible" for the SRI label is calculated by distinguishing between the green bonds from sovereign issuers, and equivalent sovereign securities from supranational agencies, guarantee agencies and local authorities.

- For investments in green borrowings from countries: we calculate an average ESG rating for the adjusted investment universe by removing the 20% worst-rated issuers, so that this ESG rating is weighted by the assets of the remaining 80% of issuers.

    - For investments in equivalent sovereign securities, including supranational agencies, guarantee agencies and local authorities, we also calculate an average ESG rating for this adjusted investment universe by removing the 20% worst-rated issuers, so that this ESG rating is weighted by the assets of the remaining 80% of issuers.

The final average ESG rating of the SRI "eligible" universe is calculated by applying a 50% weighting to each of these sub-universes.

The portfolio is built with a view to achieving an average ESG rating of all of its eligible assets that is better than the comparison universe calculated above.

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

The Fund is SRI-labelled from 24 January 2022.

3) Holding shares or units in other UCITS, AIFs or investment funds:

The Fund may hold units or shares in UCITS, AIFs or investment funds, subject to a limit of 10% of the net assets:

UCITS **under French law***	X
UCITS **under European law***	
AIFs **under French law** that comply with Article R. 214-13 of the French Monetary and Financial Code*	
AIFs **under European law** that comply with Article R. 214-13 of the French Monetary and Financial Code*	
Investment funds **under foreign law (outside Europe)** that comply with Article R. 214-13 of the French Monetary and Financial Code*	

**These funds may not themselves hold more than 10% of their assets in UCITS/AIFs/investment funds.*

These UCIs may be managed by the manager or an entity of the Natixis Investment Managers group.

4) Assets used (excluding embedded derivatives)*:*
Excluding cash and units and/or shares of UCITS/AIFs, the Fund's assets consist exclusively of securities issued and/or guaranteed by member states of the EEA, denominated in euros.

The Fund will not invest in securities representing private debt and will invest exclusively in sovereign or equivalent securities. Consequently, there is no minimum rating restriction for the securities in which the Fund invests.

The Fund's investment universe comprises securities of extremely high credit quality (level 1 HQLA): securities issued and/or guaranteed by member states of the EEA., denominated in euros. The modified duration of the Fund's portfolio to interest rates moves within the following range: [0; 4].

The Fund may invest up to a maximum of 10% of its net assets in units and/or shares of the UCITS. These UCITS will be UCITS under French law within the "Monetary" and "Short-term monetary" classification defined by the AMF and may be UCITS managed by any Natixis Investment Managers entity.

5) Derivative instruments:

The use of futures contracts, firm or conditional, traded on regulated markets, or over-the-counter, are an integral part of the investment process because of their very nature, their benefits in terms of liquidity and their cost-effectiveness ratio.

The Fund many conduct transactions relating to futures markets traded on regulated markets, or over-the-counter, with a view to hedging its assets against the risk related to interest rates. These transactions (as well as the temporary sale and purchase of securities) will be conducted subject to a commitment limit of 100% of the Fund’s net assets.

TABLE OF DERIVATIVE INSTRUMENTS

	TYPE OF MARKET			**NATURE OF RISKS**					**NATURE OF THE OPERATIONS**			
Nature of the instruments used	Admission to regulated markets*	Organised markets	OTC markets	Equity	Interest rate	Exchange rate	Credit	Other risk(s)	Hedging	Exposure	Arbitrage	Other(s)
Futures on												
Equity												
Interest rate	x				X				x			
Exchange rate												
Indices												
Options on												
Equity												
Interest rate	x				X				x			
Exchange rate												
Indices												
Swaps												
Equity												
Interest rate			x		X				x			
Exchange rate												
Indices			x		X				x			
Forex forward												
Currency/Currencies												
Credit derivatives												
Credit default swap (CDS) and itraxx index												
First-to-default												
First-loss credit default swap												

* *Refer to the management company's order execution policy at* www.im.natixis.com

The Fund will not use total return swaps.

5 a: Information relating to OTC financial contracts*:*
Counterparties are leading credit institutions and/or investment companies. They are selected and regularly assessed in accordance with the counterparty selection procedure, which is available on the management company's website at www.im.natixis.com (under the heading "Our commitments," "Intermediary/counterparty selection policy") or on request from the management company. These transactions are systematically covered by a contract signed between the Fund and the counterparty that defines the procedures for reducing the counterparty risk.
The counterparty or counterparties does/do not have any discretionary decision-making power in respect of the composition or management of the Fund investment portfolio or the asset underlying the derivative.

6) Securities with embedded derivatives*:*
The Fund will not invest in these financial instruments.

7) Deposits*:*
The Fund will not make any deposits.

8) Cash borrowings*:*
Pursuant to prevailing regulations, the Fund may borrow up to 10% of its net assets in cash, solely on an ad hoc basis when cash is required.

9) Temporary purchases and sales of securities*:*
The manager may carry out temporary purchases or sales of securities (also known as securities financing transactions), subject to a limit of 100% of the assets. It is expected that 0% 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 operations, all of which must be limited to the achievement of the management objective	
Cash management	X
Optimisation of the Fund's income and performance	X
Other	

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

Information on the use of temporary sales and purchases of 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 repurchase agreements as part of the reinvestment of cash collateral and/or reverse repurchases to meet liquidity needs.

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 euro and the USD;
- Collateral as debt 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 upon their specific characteristics. In accordance with the regulations in force, it also specifies the rules for the diversification of risks, correlation, appraisal, credit quality and regular stress tests on the collateral's liquidity.

In accordance with the conditions set out in the regulations, in the event that collateral is received in cash, it must only be:

- placed on deposit;
- invested in high quality government bonds;
- used in a delivered repurchase agreement;
- invested in medium-term monetary undertakings for collective investment (UCI)

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

In accordance with the valuation rules laid down in this prospectus, the manager will conduct a daily valuation of received collateral 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 collateral are described in the risk profile section.

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

Information about the Delegated Investment Manager's consideration of the principal adverse impacts of this Fund can be found in the pre-contractual disclosures on environmental or social characteristics appended to this prospectus and in the Fund's annual report pursuant to Article 11(2) of Regulation (EU) 2019/2088 (the SFDR).

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

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

• Risk profile:

Your money will be invested in financial instruments selected by the management company. These instruments will be subject to market trends and risks.
Investors should be aware that the Fund's performance may not meet their objectives and that they may not recover the full amount of the capital that they have invested.
The Fund's risk profile is adapted to an investment horizon of more than 2 years.
The various risks to which the Fund may be exposed as part of its management are:

☒ **Capital risk:**
The Fund does not benefit from any guarantee or protection. Therefore, the capital initially invested may not be repaid in full.

☒ **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. Modified duration expresses the average degree of reaction of prices of fixed-rate securities held in the portfolio when interest rates vary by 1%. Interest rate risk is the risk of depreciation (loss of value) of interest rate instruments due to fluctuations in interest rates, which will cause the net asset value to decrease.

☒ **Credit risk:**
The credit risk is the risk of deterioration of the financial and economic situation of an issuer; this deterioration may lead to a drop in the value of the issuer's stock and therefore a decrease in the Fund's net asset value. The Fund has a very low credit risk. In fact, investments are made in securities issued and/or guaranteed by member states of the EEA, or in units or shares of monetary UCITS.

☒ **Risk taken in relation to the benchmark indicator:**
This is the risk that the Fund's performance may deviate from that of its benchmark indicator. In accordance with the "Strategies used" section, risks may be taken with regard to the benchmark indicator in order to achieve the management objective, which may result in the Fund performing below its benchmark indicator.

☒ **Counterparty risk:**
The Fund may have a counterparty risk resulting from over-the-counter transactions (i.e. temporary purchases and sales of securities). Counterparty risk measures the losses incurred by an entity in respect of its commitments to a counterparty, in the event that said counterparty defaults or is unable to meet its contractual obligations. It is specified that this risk is moderate,

owing to the application of a strict counterparty selection process, the implementation of framework contracts and monitoring conducted by the manager's Credit Management Risk team.

☒ **Risk related to management techniques:**
The risk related to management techniques is the risk that losses will increase through the use of forward financial instruments such as over-the-counter financial contracts and/or transactions involving the temporary purchase and sale of securities.

☒ **Risk related to temporary purchases and sales of securities and the management of collateral:**
Temporary purchases and sales of securities 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).

☒ **Sustainability risk:**
This Fund is subject to sustainability risks, defined in Article 2(22) of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the so-called "SFDR Regulation") as an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.
Environmental and/or Social and Governance criteria are incorporated into the portfolio management process as outlined above, to ensure that sustainability risks are taken into account in investment decisions. The sustainability risk management policy is available on the delegated management company's website.

• Target subscribers and typical investor profile:

"R C" units are intended for all subscribers.
"R D" units are intended for all subscribers.
"I" units are reserved for institutional investors and legal entity unitholders.
"M" units are reserved for general-purpose feeder UCITS/AIFs marketed in the Banque Populaire and Caisse d'Epargne groups.
"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 typical investor profile is as follows:

- investors who are obliged to make their investments in securities issued or guaranteed by member states of the European Community or parties to the agreement on the European Economic Area; or
- investors who wish to benefit from the security and liquidity of securities issued or guaranteed by member states of the European Community or parties to the agreement on the European Economic Area.

The amount that it is appropriate to invest in this Fund depends on the personal situation, whether regulated or unregulated, and the tax situation of each investor. To determine this amount, investors should consider their personal assets, the applicable regulations, their current and future needs over the recommended investment horizon, and the extent to which they are prepared to take risks or whether they would prefer to opt for a more or less cautious instrument.

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

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

The minimum recommended investment period is more than 2 years.

Investors/unitholders are strongly advised to diversify their investments sufficiently so that they are not exposed solely to the risks of this Fund.

• *Procedures for determining and allocating distributable income:*

The Fund is an accumulation fund (R C units, I units, M C units and N C units) and a distribution fund (R D units): net income from accumulation units is added to the capital of this unit class. The net income from R D units is distributed in the form of an annual dividend paid within five months of the year-end date.
The Fund may pay interim dividends for R D units during the financial year.
The Fund capitalises its net realised capital gains.

• ***Unit features:***

The unit currency is the euro. Units are issued as bearer units.
Units are divided into ten-thousandths, known as fractions of units.

Units	Target subscribers	Minimum initial subscription amount	Minimum subsequent subscription amount	ISIN code	Allocation of income	Base currency	Initial Net Asset Value
R C	All subscribers	1 ten-thousandth of a unit	1 ten-thousandth of a unit	FR0010657387	Accumulation	Euro	EUR 100
R D	All subscribers	1 ten-thousandth of a unit	1 ten-thousandth of a unit	FR0013381050	Distribution	Euro	EUR 100
I	Reserved for institutional investors and legal entity unitholders	EUR 10,000	1 ten-thousandth of a unit	FR0010208421	Accumulation	Euro	EUR 1,524.49
M C	Reserved for general-purpose feeder UCITS marketed in the Banque Populaire and Caisse d'Epargne groups	1 unit	1 ten-thousandth of a unit	FR0010655431	Accumulation	Euro	EUR 2,000
N C	Subscription to this unit is reserved for investors subscribing via distributors or intermediaries that are subject to national legislation prohibiting all retrocessions to distributors, or that provide an independent advisory service as defined by the European MiFID II regulation or an individual portfolio management service under mandate	1 ten-thousandth of a unit	1 ten-thousandth of a unit	FR0013311081	Accumulation	Euro	EUR 100

• Subscription and redemption procedures:
Subscription and redemption orders are received at any time and are centralised by 12.30pm at the latest on each net asset value calculation day (D). These orders are executed on the basis of this net asset value.

Orders are executed in accordance with the table below:

D	D	D: NAV calculation day	D + 1 business day	D + 2 business days	D + 2 business days
Centralisation of subscription orders before 12.30 p.m.*	Centralisation of redemption orders before 12.30 p.m.*	Execution of the order on D at the latest	Publication of the net asset value	Settlement of subscriptions*	Settlement of redemptions*

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

• 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.

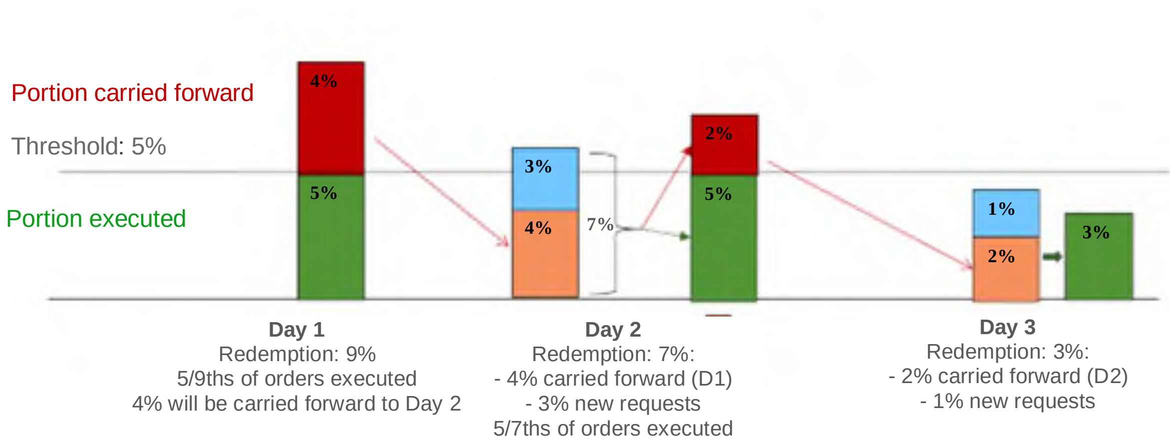
Unitholder notification procedures:

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

Processing of non-executed orders:
Redemption orders will be executed in the same proportions for Fund unitholders who have requested a redemption since the last clearing date. Non-executed orders will automatically be carried forward 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 forward 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.

Subscription and redemption orders are received by CACEIS BANK
Registered office: 89-91, rue Gabriel Péri – 92120 Montrouge, France
Postal address: 12, place des Etats-Unis – 92549 Montrouge, France

• ***Frequency of the net asset value calculation:***

The net asset value is calculated and published on each trading day of the Paris stock exchange, with the exception of public holidays as referred to by Article L 3133-1 of the French Employment Code and days when the Paris stock exchange is closed.

Calculation of the net asset value preceding a weekend and/or a public holiday as referred to by Article L 3133-1 of the French Employment Code and a day when the Paris stock exchange is closed will not include coupons accrued during this non-working period. It will be dated on the day before this non-working period.

The net asset value of the Fund is available from the registered office of the management company:
43 Avenue Pierre Mendès France, 75013 Paris, France.

• *Conditions for exchanging C and D units:*

The exchange between accumulation and distribution units consists of a redemption followed by a subscription: orders are processed as shown below.

Exchange requests are received every day until 12.30 p.m. by the institution responsible for centralising orders and are executed on the basis of the net asset value on the same day.

Any remainders are settled in cash and are complemented by the subscription of additional units.

• *Fees and charges:*

Subscription and redemption fees:
Subscription and redemption fees increase the subscription price paid by the investor or reduce the redemption price. Fees paid to the Fund serve to offset the charges that it incurs when investing and divesting investors' holdings. Fees not paid to the Fund go to the management company, promoter, etc.

Fees borne by the investor, collected at the time of subscription or redemption	Base	Rate scale
Maximum subscription fee not paid to the Fund	net asset value x number of units×	R C and N units: 3% I, R D and M units: Nil
Subscription fee paid to the Fund	net asset value x number of units×	Nil
Maximum redemption fee payable to third parties	net asset value x number of units×	Nil
Redemption fee paid to the Fund	net asset value x number of units×	Nil

The following are exempt from subscription and redemption fees:
Subscription/redemption transactions by the same investor on the basis of the same net asset value and for the same number of units/shares.

Fees charged to the Fund:
These charges cover:
- Financial management fees,
- Operating costs and other service fees (statutory auditor, depositary, distribution, lawyers, etc.):

I. All fund registration and listing fees

All fees related to the registration of the Fund in other Member States (including costs charged by advisers (lawyers, consultants etc.) for carrying out marketing procedures with the local regulator on behalf of the portfolio management company);

- UCI listing fees and publication of net asset values for investor information;
- Distribution platform fees (excluding retrocessions); agents in foreign countries involved in distribution: local transfer agent, paying transfer agent, facility agent etc.

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

II. All customer and distributor information costs

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

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

III. All data costs

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

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

IV. All custodian, legal, audit, tax fees etc.

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

V. Fees related to compliance with regulatory obligations and regulatory reporting

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

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

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

- Maximum indirect charges (management fees and charges) for funds that invest over 20% in other UCITS/AIFs or investment funds,
- Transfer fees,
- Performance fees.

Fees charged to the Fund	Base	Rate scale
Financial management fee	Net assets	R C units: Maximum 0.60% incl. tax R D units: Maximum 0.60% incl. tax I units: Maximum 0.30% incl. tax M units: Maximum 0.10% incl. tax N units: Maximum 0.40% incl. tax
Operating costs and other service fees	Net assets	Maximum 0.10% incl. tax
Transfer fee	None	None
Performance fee	None	None

Brief description of the selection procedure for intermediaries:

The management company has implemented a selection and assessment procedure for intermediaries, which takes into account objective criteria such as quality of research, commercial monitoring and execution. This procedure is available on the Natixis Investment Managers International website at www.im.natixis.com (from the document link under the heading "Commitments", "Governance and compliance commitments", "Commitments with respect to MiFID", "Order execution policy").

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 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.

One of the objectives of Natixis TradEx Solutions was to provide intermediation services (i.e. receipt-transmission and execution of orders on behalf of third parties) mainly for 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 in financial instruments as a result of management decisions made by Natixis TradEx Solutions.

In order to improve the portfolios' yields and financial income, the delegated financial manager may use securities borrowing/lending transactions and delivery repurchase/reverse repurchase agreements. Almost all temporary purchases/sales of securities are also carried out by Natixis TradEx Solutions. Furthermore, the portfolios may enter into repurchase arrangements to replace collateral received in cash as a result of temporary purchases and sales of securities.

Natixis TradEx Solutions may act as "principal" or "agent". Acting as principal corresponds to acting as counterparty to the portfolios managed by the delegated financial manager. Acting as "agent" corresponds to Natixis TradEx Solutions working as an intermediary between the portfolios and market counterparties. These may be entities belonging to the management company's group or to the depositary.

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 it.

Information on the remuneration generated by temporary purchases and sales of securities:

Any proceeds resulting from the temporary purchases and sales 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%, including tax, of the income generated by temporary purchases and sales of securities, the amount of which shall be detailed in the Fund's annual report.

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

C - Commercial information

Any information relating to the Fund (in particular the latest annual and interim documents) can be obtained directly from the management company:

Natixis Investment Managers International
Commercial Development Department
43 Avenue Pierre Mendès, 75013 Paris, France

Subscription and redemption requests are centralised at: CACEIS BANK
Registered office: 89-91, rue Gabriel Péri – 92120 Montrouge, France
Postal address: 12, place des Etats-Unis – 92549 Montrouge, France

Environmental, Social and Governance (ESG) criteria:
Information on the procedure for incorporating criteria relating to 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.

D - Investment rules

The Fund complies with the investment rules for UCITS under French law stipulated in the French Monetary and Financial Code.

The Fund also uses the exemption provided for in Article R.214-21 section IV, subsection 1 and section VI, and Article R.214-23 of the French Monetary and Financial Code, namely:
It may invest up to 35% of its assets in eligible financial securities or money market instruments issued or guaranteed by a single entity if those securities or money market instruments are issued or guaranteed by a member state of the European Union or the European Economic Area, its local public authorities, a third country or international public bodies to which one or more member states of the European Union or European Economic Area belong, or if they are securities issued by CADES (the French social security debt repayment fund).
The limit of 35% per entity shall be increased to 100%, provided that the 100% is spread over at least six issues, none of which represents more than 30% of the Fund's assets.

E - Overall risk

The calculation method used by the Fund is the commitment method.

F - Fund asset valuation and accounting rules

A Asset valuation rules

1 Securities portfolio

The management company has delegated the accounting management (including valuation of the Fund's portfolio) to CACEIS Fund Administration.

The Fund's portfolio is valued each time that the net asset value is calculated and on the closing of the accounts, at the closing price.

The Fund's annual accounts are drawn up on the basis of the final net asset value for the financial year.

The Fund complies with the accounting rules and methods prescribed by prevailing regulations and in particular with the UCI chart of accounts that, on the day of publication of the prospectus, are as follows:

Securities are valued according to the methods set out below by asset type and converted if necessary into euros in accordance with the WMR rate for the currency on the valuation date.

Equities
French equities are valued on the basis of the latest quoted price for securities admitted to a deferred settlement system or a spot market.
Foreign equities are valued on the basis of the latest price on the Paris stock exchange if the securities are listed in Paris, or on the last trading day of their main market, converted into euros in accordance with the WMR rate for the currency on the valuation date.

Bonds
Bonds are valued on the basis of an average voluntarily reported price taken daily from market makers and converted into euros, if necessary, in accordance with the WMR rate for the currency on the valuation date.

Transferable securities
Transferable securities for which the price has not been recorded on the valuation date or has been adjusted are valued by the management company at their expected trading value.

For unlisted transferable securities or those for which a price has not been listed on the valuation date, as well as other items on the balance sheet, the management company adjusts their valuation on the basis of variations that seem likely in view of current events. The statutory auditor is informed of these valuations and the justifications for them during his/her/its audits.
Foreign securities are converted into the equivalent value in euros in accordance with the WMR currency rate on the valuation date.

UCITS/AIFs
Units or shares of UCITS/AIFs are valued at the last known net asset value. Foreign undertakings for collective investment that carry out valuations at times that are incompatible with the calculation of the Fund's net asset value are valued on the basis of estimates supplied by the administrators of said undertakings, under the supervision and responsibility of the management company.

Negotiable debt securities
Transferable debt securities are valued in accordance with the following rules:
- BTANs and BTFs are valued on the basis of an average voluntarily reported price taken from market makers;
- unlisted variable-rate debt securities are valued at cost price, adjusted to take into account any potential variations in credit spreads;
- other fixed-rate negotiable debt securities: short-term negotiable securities (certificates of deposit, commercial papers, warrants issued by financial institutions, etc.) are valued on the basis of their market price.

In the absence of an indisputable market price, transferable debt securities are valued by applying a yield curve, adjusted, if necessary, by a margin calculated on the basis of the characteristics of the security (of the issuer).
However, negotiable debt securities with a residual maturity of three months or less may be valued using the straight-line method.

Temporary purchases and sales of securities

Contracts for temporary purchases and sales of transferable securities and equivalent transactions are valued at the contract rate, 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 whose price has not been listed on the valuation date, as well as other items on the balance sheet, the management company's board of directors adjusts their valuation on the basis of variations that seem likely in view of current events.

Certain fixed-rate transactions with a maturity of over three months may be valued at market price.

2 Futures and options transactions

Organised futures and options markets
Derivatives listed on an organised market are valued on the basis of settlement prices.

Swaps
Asset swaps are valued at the market price based on the issuer credit spreads indicated by the market makers. In the absence of a market maker, the spreads will be obtained by any means from the available contributors.

Swaps with a maturity of three months or less may be valued using the straight-line method.

Other swaps are valued at market price based on yield curves.

Complex instruments such as CDS, SES and complex options are valued according to their type using an appropriate method.

Forward exchange contracts:
These may be valued at the exchange rate for the currencies on the valuation date, allowing for the amortisation of carry-forward/discount.
They may be valued at market price based on forward foreign exchange curves.

3 Off-balance sheet commitments

Off-balance sheet commitments are valued as follows:

A) Commitments on futures markets:
1) Futures:
Commitment = settlement price x nominal contract value x quantity

Excepted are commitments under EURIBOR contracts traded on Euronext, which are recorded at their nominal value.

2) Swap commitments:
a) interest rate swaps

backed:
° Fixed rate/variable rate
- valuation of the fixed-rate portion at market price
° Variable rate/fixed rate
- appraisal of the variable-rate portion at market price

non-backed:
° Fixed rate/variable rate
- valuation of the fixed-rate portion at market price
° Variable rate/fixed rate

- appraisal of the variable-rate portion at market price

b) other swaps
These will be appraised at market value.

B) Commitments on options markets:

Commitment = quantity x nominal contract value (portion) x price of underlying x delta

4 Currencies

Foreign currency prices are converted into euros in accordance with the WMR rate for the currency on the valuation date.

5 Unlisted financial instruments and other securities

- Financial contracts for which the price has not been recorded on the valuation date are valued at the most recent officially published price or at their likely trading value, under the responsibility of the management company.

- Foreign securities are converted into the equivalent value in euros, in accordance with the WMR rate on the valuation date.

- Financial contracts not traded on a regulated market are valued at their likely trading value, under the responsibility of the management company.

- Other financial contracts are valued at their market value as calculated by the counterparties, under the supervision and responsibility of the management company.

The valuations of unlisted financial contracts and the other securities referred to in this paragraph, together with the justifications for them, are communicated to the statutory auditor during his/her/its audits.

⇒ Adjustment mechanism ("swing pricing") for the Net Asset Value with trigger threshold (from 10 October 2016)

On 10 October 2016, the management company introduced 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 mechanism, supported by a policy, is designed to protect existing investors in the Fund by reducing the costs they pay as much as possible. This results in the calculation of an adjusted ("swing") NAV.

This means that if, on a NAV calculation day, the total number of net subscription/redemption orders from investors across all unit classes of the Fund exceeds a threshold that is predetermined based on objective criteria set out by the management company, as a percentage of the net assets, the NAV can be adjusted upwards or downwards to take into account the 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 will have the same impact, in percentage terms, on all of the NAVs of the Fund's unit classes.

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

It is not possible to accurately predict whether the adjustment mechanism will be applied in the future, or how often the management company will make such adjustments.

Investors should note 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 "swing" NAV is the Fund's only Net Asset Value and the only one released to the Fund's unitholders. However, any performance fee is calculated based on the NAV before the adjustment mechanism is applied.

B Accounting methods

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

The weighted average cost price method is used for the settlement of securities. For derivative products, however, the FIFO (First In, First Out) method is used.

The option chosen for revenue recognition is the accrued coupon method.

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

G - REMUNERATION

Details of the remuneration policy are available at www.im.natixis.com.

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

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

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

Product name: OSTRUM SRI EURO BONDS 1-3
Legal entity identifier: 9695 00KKGUT4N1VNBA 75

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective**: ___%	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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective**: ___%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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

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

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

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

*Filtered initial investment universe means the initial investment universe (securities issued or guaranteed by countries in the European Economic Area (EEA), or issued by supranational agencies, whether they are fixed-rate, variable-rate or inflation-indexed securities) from which 20% of the issuers with the lowest ESG ratings within each issuer category are excluded (including the most controversial issuers according to the delegated management company's exclusion policies, as well as the lowest-rated issuers) and sovereign debt.

For example, non-financial criteria used may include the following:

- Social: Public spending on education (% of GDP): General public spending on education (current, in capital and transfers) is expressed as a percentage of GDP. It includes spending financed by transfers from international sources to the government. The term "Public authorities" generally refers to local, regional and central authorities. (Source: World Bank)
- Governance: The proportion of seats occupied by women in national parliaments (%). Women in parliament is the percentage of parliament seats in a single or lower house held by women.
- Environment: Carbon intensity.

No reference index has been designated with the aim of achieving the environmental or social characteristics promoted by the Fund.

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

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

*Only for the SRI-eligible portion (sovereign and quasi-sovereign green bonds

issued by governments, guarantee agencies, supranational agencies and local authorities)
These calculations are made excluding non-eligible assets within the meaning of the SRI label.

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

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

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?

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.

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

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

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

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

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

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

The Fund does not invest in private issuers and only applies Ostrum Asset Management's exclusion policy concerning blacklisted states (exclusion of countries with strategic deficiencies in their anti-money laundering and anti-terrorist financing systems).

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

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

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

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

X Yes

The Fund takes into account the 2 principal adverse impacts listed in Annex 1 relating to the presentation of information on the principal adverse sustainability impacts pursuant to Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022, which concerns sovereign and equivalent sovereign issuers. The methodology is available on the Ostrum Asset Management website at https://www.ostrum.com/en/our-csr-and-esg-publications

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

No

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

What investment strategy does this financial product follow?

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

- The non-financial analysis

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

The investment teams assess systematically, and for each underlying issuer, whether the non-financial factors affect the issuer's credit risk profile, for both risk and opportunity, as well as their likelihood of occurrence. Non-financial factors are thus systematically incorporated into the risk assessment and the fundamental analysis of public issuers.

Up to 70% of the portfolio may be composed of debt securities, including sovereign debt and debt securities other than green bonds. These securities are not considered eligible for the SRI label, however, they have an ESG rating.

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

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

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

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

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

The SDG Index is a numerical score between 0 (the worst rating) and 100 (the best rating), which tracks the progress made by countries for each of the SDGs. The report drawn up by the SDG Index also shows the SDG Dashboards for each country covered.

In order to evaluate each of these goals, the SDG Index relies upon official data (provided by national governments or international organisations) and unofficial data (collected by non-state actors such as research institutes, universities, NGOs and the private sector). Half of the official data used comes from three organisations: the OECD, the WHO and UNICEF.

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

For example, non-financial criteria used may include the following:

- Social: Public spending on education (% of GDP): General public spending on education (current, in capital and transfers) is expressed as a percentage of GDP. It includes spending financed by transfers from international sources to the government. The term "Public authorities" generally refers to local, regional and central authorities. (Source: World Bank)
- Governance: The proportion of seats occupied by women in national parliaments (%). Women in parliament is the percentage of parliament seats in a single or lower house held by women.
- Environment: Carbon intensity.
- Selection of issuers

The portfolio is built following a "Best-in-Universe" approach.

The average ESG rating of the universe of assets "eligible" for the SRI label is calculated by distinguishing between the green bonds from sovereign issuers, and quasi-sovereign securities from supranational agencies, guarantee agencies and local authorities.

- For investments in green borrowings from national governments: we calculate an average ESG rating for this adjusted investment universe by removing the 20% worst-rated issuers (including the most controversial issuers according to Ostrum Asset Management's exclusion policies and the worst-rated issuers), so that this ESG rating is weighted by the assets of the remaining 80% of issuers.
- For investments in quasi-sovereign securities, including from supranational agencies, guaranteed agencies and local authorities, we also calculate an average ESG rating for this adjusted investment universe by removing the 20% worst-rated issuers (including the most controversial issuers according to Ostrum Asset Management's exclusion policies and the worst-rated issuers), so that this ESG rating is weighted by the assets of the remaining 80% of issuers.

The Fund will hold at least 40% sustainable investments

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

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

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

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

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

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

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.

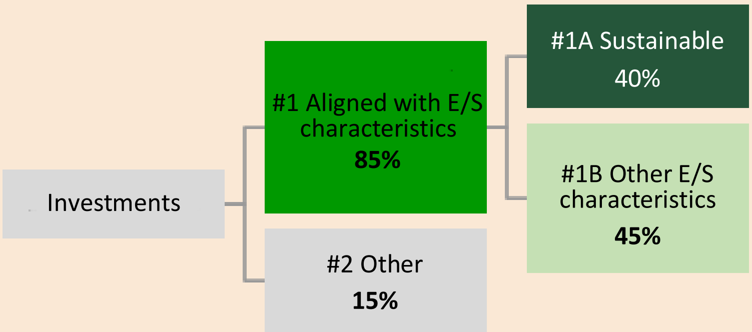
What is the policy to assess good governance practices of the investee companies?

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

Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

The share of investments aligned with the E/S characteristics is at least 85% with a minimum of 40% sustainable investments. The Fund can invest a maximum of 15% of its invested assets in instruments that are not aligned with the E/S characteristics (#2 Other).



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

#2 Other includes the remaining investments of the financial product 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.

Taxonomy-aligned activities are expressed as a share of:

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

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

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

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

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

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]?**

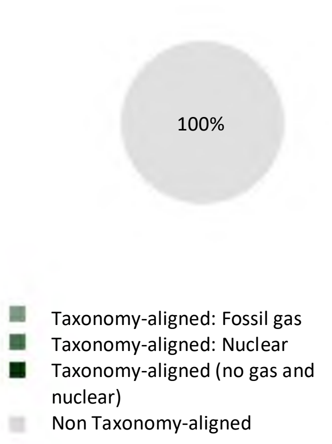
☐ Yes:

☐ In gas ☐ In nuclear energy

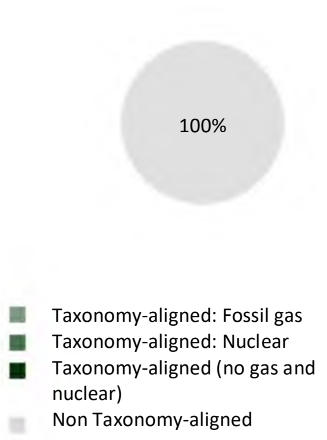
☒ No

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

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



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



This graph represents 100% of the total investments.

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

[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.

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

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

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

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

No minimum investment in sustainable investments with an environmental objective is applied.

What is the minimum share of socially sustainable investments?

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

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

The following investments are included in “#2 Other”: securities without an ESG rating or securities with no carbon intensity indicator, the proportion of unaligned UCIs, futures (derivatives) traded on regulated markets or OTC exclusively as hedges, and reverse repurchase agreements for cash management and optimisation of Fund income and performance.

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

Minimum environmental or social safeguards are not systematically applied.

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

Not applicable

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

  Not applicable

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

  Not applicable

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

  Not applicable

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

  Not applicable

Where can I find more product-specific information online?

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

https://www.ostrum.com/fr/fonds/322/ostrum-sri-euro-bonds-1-3