

## Prospectus & Management Regulations

**NATIXIS INVESTMENT SOLUTIONS (LUX) I**  
*Fonds Commun de Placement*  
organized under the laws of the Grand Duchy of Luxembourg

**Natixis Investment Solutions (Lux) I** (the “Fund”) is a Luxembourg *Fonds Commun de Placement* composed of several separate sub-funds (each, a “Sub-Fund”) and is governed by Part I of the Luxembourg amended Law of 17 December 2010 on undertakings for collective investment (the “Law”).

The Fund’s objective is to provide investors access to a diversified management expertise through a range of several separate sub-funds, each having its own investment objective and policy.

8 February 2024

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## IMPORTANT INFORMATION

**UNITS OF EACH SUB-FUND ARE ONLY OFFERED FOR SALE IN LUXEMBOURG AND WHERE OTHERWISE PERMITTED BY LAW. UNITS ARE NOT BEING OFFERED OR SOLD IN ANY JURISDICTION WHERE THE OFFER OR SALE IS PROHIBITED BY LAW.**

**NO SUB-FUND IS OPEN FOR INVESTMENT BY ANY U.S. PERSON (AS DEFINED BELOW) EXCEPT IN EXCEPTIONAL CIRCUMSTANCES AND ONLY WITH THE PRIOR CONSENT OF THE MANAGEMENT COMPANY.**

The Units have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “1933 Act”) and the Fund has not been registered under the Investment Company Act of 1940, as amended, (the “1940 Act”) and, accordingly, the Units may not be offered or sold, directly or indirectly, in the United States or to or for the account or benefit of any U.S. Person except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the 1933 Act and any applicable securities laws.

### **Definition of U.S. Person**

“U.S. Person”, is as defined in the U.S. Internal Revenue Code of 1986 and under Regulation S of the 1933 Act, as amended, which includes the following:

- (a) a natural person that is a U.S. citizen or resident in the United States and certain former citizens and residents of the United States;
- (b) an estate (i) with any U.S. Person as executor or administrator, or (ii) the income of which is subject to U.S. taxation regardless of source;
- (c) a corporation or partnership organised under U.S. law;
- (d) any trust (i) of which any trustee is a U.S. Person, or (ii) over whose administration a U.S. court has primary supervision and all substantial decisions of which are under control of one or more U.S. fiduciaries;
- (e) any agency or branch of a foreign entity located in the United States;
- (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person;
- (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident of the United States;
- (h) any partnership or corporation if: (i) organised or incorporated under the laws of any foreign jurisdiction; and (ii) formed by a U.S. Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the 1933 Act) who are not natural persons, estates or trusts; and
- (i) any entity formed by or on behalf of any of the foregoing for the purpose of investing in the Company as well as any other individual or entity the Management Company otherwise may determine to be a U.S. Person.

The Directors of the Management Company may amend the definition of “U.S. Person” without notice to Unitholders as necessary in order to reflect current applicable U.S. law and regulations. If you have further questions, please contact your sales representative for a list of persons or entities that qualify as “U.S. Persons”.

### ***Investor Qualifications***

Only investors that meet certain qualifications may invest in the Unit Classes of the Fund. Please read further information set out in section entitled “Unit Characteristics” in the chapter entitled “Subscription, Transfer, Conversion and Redemption of Units” to determine whether you satisfy those qualifications.

### ***What to Know Before You Invest in a Sub-Fund***

Your investment in a Sub-Fund may increase or decrease and you could lose some or all of your investment in a Sub-Fund. There is no assurance that a Sub-Fund will meet its investment objective. Please read this Prospectus before making any investment in a Sub-Fund. In addition, there may be laws and regulations, exchange controls and tax rules that apply to you because of your investment in a Sub-Fund. If you have any question about the information in this Prospectus or investing in any Sub-Fund, please consult your financial, tax and legal advisers.

No person is authorized to make any representation about the Fund, any Sub-Fund or the Units other than those representations contained in this Prospectus. You should not rely on any representation about the Fund, a Sub-Fund or the Units other than those representations contained in this Prospectus.

For additional copies of this Prospectus, or copies of the most recent annual reports of the Fund or the Fund's management regulations, please call Brown Brothers Harriman (Luxembourg), tel. + 352 474 066 425 or write to: Brown Brothers Harriman (Luxembourg) S.C.A., 80, route d'Esch, L-1470 Luxembourg.

The Management Company draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Fund, if the investor is registered himself and in his own name in the unitholders' register of the Fund. In cases where an investor invests in the Fund through an intermediary investing into the Fund in his own name but on behalf of such investor, it may not always be possible for the investor to exercise certain unitholders' rights directly against the Fund. Investors are advised to take advice on their rights.

### ***Section "Typical Investors Profile"***

The Management Company draws the investors' attention to the fact that information contained in the "Typical Investors' Profile" section is provided for reference only. Before making any investment decisions, investors should consider their own specific circumstances, including, without limitation, their own risk tolerance level, financial circumstances, and investment objectives. If in doubt, investors should consult their financial, tax and legal advisers.

### ***Data protection***

As data controller, the Management Company of the Fund is responsible for the processing of personal data. The investors' attention is drawn to the fact that the current Application Form includes details of the data protection laws and regulation applicable to the Fund and the Management Company. Unitholders and Controlling Persons, as well as prospective investors, are also referred to the current Application Form for additional information about how and why the Management Company may be required to process their personal data from time to time, as well as a summary of their rights under the applicable data privacy laws.

### ***Prevention of money laundering:***

The Fund must comply with applicable international and Luxembourg laws and regulations regarding the prevention of money laundering and terrorist financing including but not limited to, the law of 12 November 2004 on the fight against money laundering and terrorist financing, as may be amended from time to time (the "2004 Law"), the Grand-Ducal Regulation of 10 February 2010 providing detail on certain provisions of the 2004 Law, CSSF Regulation No 12-02 of 14 December 2012 on the fight against money laundering and terrorist financing and relevant CSSF circulars in the field of the prevention of money laundering and terrorist financing. In particular, anti-money laundering and counter terrorist financing measures in force in Luxembourg require the Fund, on a risk sensitive basis, to establish and verify the identity of Unitholders (as well as the identity of any intended beneficial owners of the Units if they are not the subscribers and any agents (if applicable)) and the origin of subscription proceeds and to monitor the business relationship on an ongoing basis.

Unitholders will be required to provide to the Fund or the Registrar and Transfer Agent of the Fund the information and documentation set out in the application form, depending on their legal form (individual, corporate or other category of subscriber). The Fund and the Registrar and Transfer Agent may demand additional information and documents as they see fit.

The Fund is required to establish anti-money laundering controls and may require from Unitholders all documentation deemed necessary to establish and verify this information. The Fund has the right to request additional information until it is reasonably satisfied that it understands the identity and economic purpose of

the Unitholders. Furthermore, any Unitholder is required to notify the Fund prior to the occurrence of any change in the identity of any beneficial owner of Units. The Fund may require from existing Unitholders, at any time, additional information together with all supporting documentation deemed necessary for the Fund to comply with anti-money laundering measures in force in Luxembourg.

Failure to provide information or documentation deemed necessary for the Fund to comply with anti-money laundering measures in force in Luxembourg may result in delays in, or rejection of, any subscription or conversion application and/or delays in any redemption application.

## Harris Associates Kokusai Fund

### Investment Objective

The investment objective of Harris Associates Kokusai Fund is long term growth of capital.

### Investment Policy

#### Principal Investment Strategy

The Sub-Fund invests primarily in equity securities of companies around the world excluding Japan.

The Sub-Fund invests at least two-third of its total assets in equity securities of companies worldwide excluding Japan. In particular the Sub-Fund invests:

- Between 25% and 75% of its total assets in equity securities of U.S. and Canadian companies, defined as companies domiciled or which exercise the preponderant part of their economic activities in the U.S. or Canada; and
- Between 25% and 75% of its total assets in equity securities of non-U.S., non-Canadian and non-Japanese companies, defined as companies domiciled or which exercise the preponderant part of their economic activities outside the U.S., Canada or Japan.

The Sub-Fund may invest up to one-third of its total assets in short-term debt securities, time deposits or money market instruments. The Sub-Fund may invest up to 10% of its net assets in undertakings for collective investment.

The Sub-Fund's equity investments may include common stocks, preferred stocks, equity related instruments and the Sub-Fund may invest on an ancillary basis, in warrants, equity-linked notes and convertible bonds whose value is derived from the value of any of those equity securities, and depositary receipts for any of those equity investments.

The Sub-Fund may not make any investments in equity securities of Japanese companies, defined as companies domiciled or which exercise the preponderant part of their economic activities in Japan. However, for the purposes of cash management, the Sub-Fund may invest in short-term securities, time deposits or money market instruments that are issued by companies or financial institutions in Japan.

The Sub-Fund is actively managed. In choosing equity securities, the Sub-Fund uses fundamental analysis to select stocks, focusing on stocks that the Investment Manager believes are trading in the market at significant discounts to their underlying value.

#### Use of Derivatives or Other Investment Techniques and Instruments

On an ancillary basis, the Sub-Fund may use derivatives for hedging and investment purposes as described under "Use of Derivatives, Special Investment and Hedging Techniques" below. The Sub-Fund does not intend to enter into SFTs.

#### Defensive Strategies

Under certain exceptional market conditions, the Sub-Fund may hold a significant amount of its assets in cash or invest in short-term debt securities, time deposits or money market instruments, if the Investment Manager believes that it would be in the best interest of the Sub-Fund and its Unitholders. When the Sub-Fund is pursuing a defensive strategy, it will not be pursuing its investment objective.

#### Reference Index

The Sub-Fund is not managed relative to a specific index. However, for indicative purposes only, the Sub-Fund's performance may be compared to the MSCI Kokusai Index. In practice, the portfolio of the Sub-Fund is likely to include constituents of the index, however, the Sub-Fund is unconstrained by the index and may therefore significantly deviate from it.

### Typical Investors' Profile

The Sub-Fund is suitable for institutional investors who:

- are looking for an exposure to the equity markets on a global basis that excludes equities issued by Japanese companies;
- can afford to set aside capital for at least 3 years (medium to long term horizon);
- can accept temporary losses; and
- can tolerate volatility.

## Specific Risks

The risks of the Fund are managed through the use of the “Commitment Approach” method described under “Use of Derivatives, Special Investment and Hedging Techniques”–“Derivatives” / “Global Risk Exposure”.

The specific risks of investing in the Sub-Fund are linked to:

- Equity securities
- Value investing
- Exchange rates
- Sustainability risks
- Global investing
- Changes in laws and/or tax regimes
- Portfolio concentration

For a complete description of these risks, please refer to the chapter entitled “Principal Risks” below. This same chapter also describes the other risks linked to an investment into the Sub-Fund.

## Characteristics

### Characteristics of the Unit Classes available in the Sub-Fund

Unit Class	Reference Currency	Currency of Quotation	Dividend Policy
S/A(USD)	U.S. Dollar	U.S. Dollar	Accumulation
Q/A(USD)		U.S. Dollar	

Unit Class	All-in-Fee	Maximum Sales Charge	Redemption Charge	Minimum Initial Investment	Minimum Holding
S/A(USD)	0.80% p.a.	None	No redemption charge	US\$1,000,000	US\$1,000,000
Q/A(USD)	No management fee is charged on this Unit class. However, this Unit class will pay other expenses such as administrative fees and depositary fees that will amount to 0.35% p.a.			None	None

### Subscriptions and Redemptions in the Sub-Fund: Pricing and Settlement

Valuation Day	Subscription/ Redemption Date	Application Date and Cut-Off Time	Settlement Date
Each full bank business day in Luxembourg	D* (i.e., any full bank business day in Luxembourg)	D at 13h30 Luxembourg time	D+5

\*D = Day on which the subscription, redemption or conversion application is processed by the Sub-Fund’s Registrar and Transfer Agent. Applications received by the Sub-Fund’s Registrar and Transfer Agent before the cut-off time on any full bank business day in Luxembourg will be processed on such day. Applications received after the cut-off time will be processed on the following full bank business day in Luxembourg.

### Investment Manager of the Sub-Fund

The Investment Manager of the Sub-Fund is Harris Associates L.P..



# Loomis Sayles World Credit Asset Fund

This product:

- ☐ Has a sustainable investment objective (classified as Article 9 under the SFDR)
- ☒ Promotes environmental and social characteristics but does not have as its objective a sustainable investment (classified as Article 8 under the SFDR)

## Investment Objective

The investment objective of Loomis Sayles World Credit Asset Fund is high total investment return through a combination of income and capital appreciation which includes an investment process that includes Environmental, Social and Governance (“ESG”) considerations.

## Investment Policy

### Principal Investment Strategy

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment. For further information regarding the environmental or social characteristics promoted by the Sub-Fund, please refer to the SFDR Annex.

The Sub-Fund invests at least two-thirds of its assets in income-producing securities with a focus on credit issuers and securitised debt on a global basis, including emerging markets, as well as derivative instruments and undertakings for collective investments in order to gain exposure to such assets.

Income-producing securities include bonds, convertible securities including contingent convertible bonds, preferred stock, securitised instruments and closed-end funds. Such securities may be issued by corporate, financial, government-related (e.g., government-owned, agency, provincial) and supranational issuers. Income-producing securities purchased for the Fund may pay fixed, variable, zero coupon rates or in-kind and may be 144A or Regulation S securities. The Sub-Fund may invest up to 20% of its assets in contingent convertible bonds and up to 30% of its assets in securitized instruments. Such instruments include mortgage-backed securities (“MBS”) (including commercial MBS and non-agency residential MBS) and asset-backed securities (including collateralized loan obligations (“CLO”) and collateralized debt obligations (“CDO”)). The Sub-Fund may invest in any category of securitized instruments, including but not limited to:

- Consumer: vehicle loans and leases, housing-related rentals, credit card receivables, student loans, timeshare fees.
- Corporate: CLOs (backed by bank loans), CBOs (backed by high-yield bonds), CDOs (backed by various interest-bearing debt instruments).
- Commercial: leases (floorplan, aircraft, transportation, rental fleet, container, mobile tower, equipment, billboard), insurance settlements.
- Business: royalties (franchise, brand).

With regard to CLO investments, the Sub-Fund will invest in issues that are sufficiently liquid and which include regular, verifiable valuations. The Sub-Fund may invest any portion of its assets in below-investment grade-rated securities. Below-investment grade securities are securities rated less than BBB- (Standard & Poor’s Ratings Services), Baa3 (Moody’s Investors Service, Inc.), an equivalent rating by Fitch Ratings or if unrated, determined by the Investment Manager to be equivalent. The Sub-Fund may invest up to 49% of its assets in undertakings for collective investment (“UCIs”). The Sub-Fund does not impose limits\* on the portion of its assets invested in money market instruments.

The Sub-Fund may invest up to 50% of its assets in securities issued by issuers domiciled in emerging markets.

The Sub-Fund may invest up to 5% of its total assets in fixed income securities listed on the China Interbank Bond Market through the mutual bond market access between Mainland China and Hong Kong (the “Bond Connect”).

Securities may be denominated in any currency, including emerging markets currencies. The Investment Manager intends to hedge most of the Sub-Fund’s non-U.S. dollar currency exposures to U.S. dollars. However, the Investment Manager may elect to leave up to 10% of the Sub-Fund’s portfolio exposed to currencies other than the U.S. dollar.



The Sub-Fund may invest up to one-third of its assets in securities other than those described above such as those issued by sovereign governments, including emerging markets. The Sub-Fund may invest up to 5% of its assets in common stock, warrants and equity-related securities other than those listed above.

The Sub-Fund is actively-managed and allocates to investment grade credit, high yield, securitised and emerging markets credit sectors based on macroeconomic analysis of credit and business cycles and identification of relative value opportunities. Returns are expected to be a result of both sector allocation and security selection based on fundamental, credit-specific analysis. The Sub-Fund also seeks to actively-manage the risks that arise from exposure to changes in credit, interest rates and currencies.

### **Use of Derivatives or Other Investment Techniques and Instruments**

The Sub-Fund may use derivative instruments in order to expose its assets to, or hedge its assets against, risks linked to interest rates, exchange rates, credit and/or equities, within the limits described under "Use of Derivatives, Special Investment and Hedging Techniques" below.

In order to achieve its management objectives, the Sub-Fund may engage in the credit derivatives market by entering into, among other things, credit default swaps in order to sell and buy protection. The Sub-Fund may use credit derivatives in order to hedge the specific credit risks of certain issuers in its portfolio by buying protection. In addition, the Sub-Fund may, provided it is in its exclusive interest, buy protection using credit derivatives without holding the underlying assets. Provided it is in its exclusive interest, the Sub-Fund may also sell protection using credit derivatives in order to acquire a specific credit exposure. The Sub-Fund will only enter into OTC credit derivatives transactions with highly-rated financial institutions specialised in this type of transaction and only in accordance with the standard terms laid down by the ISDA Master Agreement.

The Sub-Fund may enter into Total Return Swaps ("TRS"). Furthermore, the Sub-Fund may enter into TRS on indices in order to gain exposure to assets that may otherwise be inefficient or costly to access through traditional investments in physical securities. TRS on indices include, but are not limited to, those provided by Markit iBoxx®. Markit iBoxx® indices include corporate bonds, municipal bonds, sovereign bonds, bank loans and securitized products. It is expected that up to 20% of the Sub-Fund's total assets may be subject to TRS; however, depending on market conditions and opportunities, that percentage may reach a maximum of 50% of the Sub-Fund's total assets. Information on Markit iBoxx® indices may be obtained from [www.markit.com](http://www.markit.com). The constituents of those indices are generally rebalanced monthly. The costs associated with the rebalancing are generally expected to be negligible.

The Sub-Fund does not intend to enter into SFTs.

For more details, please refer to the chapter entitled "Principal Risks" below.

### **Defensive Strategies**

Under certain exceptional market conditions, the Sub-Fund may invest a significant amount of its assets in cash and cash equivalents, including money market instruments, if the Investment Manager believes that it would be in the best interest of the Sub-Fund and its Unitholders. When the Sub-Fund is pursuing a defensive strategy, it will not be pursuing its investment objective.

### **Reference Index**

The Sub-Fund is not managed relative to a specific reference index. However, for indicative purposes only, the Sub-Fund's performance may be compared to SONIA (Sterling Overnight Index Average) plus 3%. The Sub-Fund does not aim to replicate the Reference Index and may therefore significantly deviate from it.

\* other than those imposed by law as set out in the Chapter entitled "Investment Restrictions/General Restrictions" of the Prospectus.

## Typical Investors' Profile

The Sub-Fund is suitable for institutional investors who:

- are looking for a diversification of their investments in fixed income securities;
- can afford to set aside capital for at least 3 years (medium to long term horizon);
- can accept temporary losses.

## Specific Risks

The risks of the Sub-Fund are managed through the use of the "Commitment Approach" method described under "Use of Derivatives, Special Investment and Hedging Techniques"—"Derivatives" / "Global Risk Exposure".

The specific risks of investing in the Sub-Fund are linked to:

- |                                     |                                     |
|-------------------------------------|-------------------------------------|
| • Debt securities                   | • Global investing                  |
| • Changing interest rates           | • Emerging markets                  |
| • Credit risk                       | • Changes in laws or tax regimes    |
| • Below investment grade securities | • Liquidity                         |
| • Foreign exchange currency risk    | • Financial derivatives instruments |
| • Convertible security risk         | • Counterparty risks                |
| • Contingent convertible bonds      | • Mortgage-related securities       |
| • Structured instruments risks      | • Asset-backed securities           |
| • Geographic concentration          | • Bond Connect                      |
| • ESG driven investments            | • Sustainability risks              |

For a complete description of these risks, please refer to the chapter entitled "Principal Risks" below. This same chapter also describes the other risks linked to an investment into the Sub-Fund.

## Characteristics

### Characteristics of the Unit Classes available in the Sub-Fund

Unit Class	Reference Currency	Currency of Quotation	Dividend Policy
S/A(USD)	U.S. Dollar	U.S. Dollar	Accumulation
H-S/A (SGD)		Singapore Dollar	
H-S/D(GBP)		Great Britain Pound	Distribution
I/A(USD)	U.S. Dollar	U.S. Dollar	Accumulation
H-X1/A(GBP)		Great Britain Pound	Accumulation
Q/A(USD)	U.S. Dollar	U.S. Dollar	Accumulation
H-Q/A(EUR)		Euro	

Unit Class	All-in-Fee	Maximum Sales Charge	Redemption Charge	Minimum Initial Investment	Minimum Holding
S/A(USD)	0.60% p.a.	None	No redemption charge	USD1,000,000	USD1,000,000
H-S/A (SGD)				SGD 1,000,000	SGD 1,000,000
H-S/D(GBP)				GBP500,000	GBP500,000
I/A(USD)	0.75% p.a.	None	No redemption charge	USD 100,000	1 share
H-X1/A(GBP)	0.35% p.a.	None	No redemption charge	GBP250,000,000	GBP250,000,000
Q/A(USD)	No management fee is charged on this Unit class. However, this Unit class will pay other expenses such as administrative fees and depositary fees that will amount to 0.15% p.a.	None	No redemption charge	None	None
H-Q/A(EUR)					

### ***Subscriptions and Redemptions in the Sub-Fund: Pricing and Settlement***

<b>Valuation Day</b>	<b>Subscription/Redemption Date</b>	<b>Application Date and Cut-Off Time</b>	<b>Settlement Date</b>
Each full bank business day in Luxembourg	D* (i.e., any full bank business day in Luxembourg)	D at 17h00 Luxembourg time	D+3

\*D = Day on which the subscription or redemption application is processed by the Sub-Fund's Registrar and Transfer Agent.

Applications received by the Sub-Fund's Registrar and Transfer Agent before the cut-off time on the relevant Subscription/Redemption Date will be processed on such day. Applications received after the cut-off time on the relevant Subscription/Redemption Date will be processed on the following Subscription or Redemption Date.

For the conversion of Units please refer to the section of the prospectus entitled "Conversion of Units" in the Chapter entitled "Subscription, Transfer, Conversion and Redemption of Units".

In the event that any subscription or redemption represents more than 10% of the Sub-Fund's net asset value on any Subscription/Redemption Date, and to the extent that the Management Company considers it in the best interest of the Sub-Fund, an additional dilution levy of up to 2% may be applied at the discretion of the Management Company to such subscriptions or redemptions.

### ***Investment Manager of the Sub-Fund***

The Investment Manager of the Sub-Fund is Loomis, Sayles & Company, L.P..

### ***Initial offer period:***

<b>Unit Class</b>	<b>Initial Offer Period</b>	<b>Initial Offer Price</b>
S/A(USD)	From 2 January 2015, to 5 January 2015 or any other date on which the first subscription occurs	USD100
H-S/A (SGD)		SGD 100
H-S/D(GBP)		GBP100
I/A(USD)		USD100
H-X1/A(GBP)		GBP100
Q/A(USD)		USD100
H-Q/A(EUR)		EUR100

Subscription applications for the above listed classes during their respective initial offer period must be received (together with cleared funds) during the initial offer period or such earlier or later period as the Directors of the Management Company may in their discretion determine.

# Mirova Equity Europe Climate Opportunity Fund

This product:

☒ Has a sustainable investment objective (classified as Article 9 under the SFDR)

☐ Promotes environmental and social characteristics but does not have as its objective a sustainable investment

## Investment Objective

The investment objective of Mirova Equity Europe Climate Opportunity Fund is, over the recommended minimum investment period of 5 years, to seek exposure to the European equity markets through a selection of companies that make a positive contribution to tackling the energy transition challenge and meet the Investment Manager's Environmental, Social and Governance (ESG) criteria.

## Investment Policy

### Principal Investment Strategy

The Sub-Fund follows a thematic responsible investment strategy focused on European companies active in offering low-carbon or carbon efficient solutions.

The Sub-Fund seeks to achieve its investment objective by getting exposed to a portfolio of equities issued by European companies that make a positive contribution to tackling the energy transition challenge, and meet the Investment Manager's Environmental, Social and Governance (ESG) criteria (the "**Strategy**"). For further information with regard to the sustainable investment objective of the Sub-Fund, please refer to please refer to the SFDR Annex.

The Strategy is managed in accordance with the investment restrictions as set out in the chapter "Investment Restrictions" of the Prospectus (the "**Investment Restrictions**").

The Sub-Fund will get exposure to the Strategy through the use of OTC derivatives such as total return swaps ("TRS") and equity swaps (together "**OTC Derivatives**"). While getting exposure to the Strategy through OTC Derivatives, the Sub-Fund will invest its net assets in a basket of highly liquid securities (hereafter the "**Basket of Securities**") in accordance with the Investment Restrictions and will exchange the value of such Basket of Securities against the value of the Strategy.

**Basket of Securities** - As part of the Sub-Fund's investments in the Basket of Securities, the Sub-Fund will invest:

- Mainly in European equities issued by companies of any market capitalization and of all GICS (i.e. Global Industry Classification Standard - MSCI and S&P) level 1 sectors (10 sectors) and almost all level 2 sectors (24 sectors) which activities relate, in the opinion of the Investment Manager, to sustainable investment themes as further described below<sup>1</sup>;
- In bonds (fixed and variable rate), indexed bonds, listed covered bonds, other secured bonds which qualify as green bonds in accordance with the Investment Manager's internal analysis process as further described below<sup>2</sup>, and money market instruments denominated in Euro.
- Up to 10% of its net assets in other types of securities than those described above as well as in other money market instruments, cash and cash equivalents.

The investment process used for the Basket of Securities relies on security picking based on a deep fundamental analysis of issuers combining both financial and ESG (Environmental, Social and Governance) considerations as further described below<sup>3</sup>. This analysis shall ensure that the issuers meet the following criteria:

- the ability to provide positive innovative solutions to tackle issues related to identified sustainable themes;

<sup>1</sup> Please refer to the section: "Description of the extra-financial analysis and consideration of the ESG criteria"

<sup>2</sup> Please refer to the section: "Description of the extra-financial analysis and consideration of the ESG criteria"

<sup>3</sup> Please refer to the section: "Description of the extra-financial analysis and consideration of the ESG criteria"

- the sustainable quality of the business model; competitive positioning, management team and capacity to finance growth;
- the overall quality of their ESG practices.

**Strategy** – The equity portfolio of the Strategy is determined by a selection process implemented by the Investment Manager and targets European companies of any market capitalization specialising in low-carbon solutions in order to provide high performance in terms of portfolio-wide greenhouse gas emissions (i.e. a portfolio whose aggregate levels of actual and avoided emissions could, according to the Investment Manager’s analysis, make a positive contribution to tackling the energy transition challenge). The investment process is broken down into **two main steps**:

- Step 1: Definition of the Equity Selection’s universe:

The Investment Manager will select European securities which are considered by the Investment Manager to present high added value from an environmental perspective. All securities must comply with the minimum ESG standards set out in accordance with the non-financial rating methodology developed by the Investment Manager as further described below.

- Step 2: Portfolio construction and management:

The equity portfolio is built using a quantitative process, while limiting the active share under several constraints such as market capitalization and free-floating share. This portfolio is adjusted by the Investment Manager on a discretionary basis in order to manage the exposure to securities actively by providing low-carbon solutions as well as the portfolio’s exposure to factor-based risks (sector, style, macroeconomic, etc.). Any exposure to securities obtained via the Strategy will only consist of long positions.

In order to mitigate risks, the exposure of the Sub-Fund to equity markets through the Strategy may reach an expected level of 100% (in certain circumstances this proportion may be higher). When the exposure to equity markets is reduced below 100%, the Sub-Fund will be exposed in counterpart to a euro money market rate. In any case, the Sub-Fund will not be able to get an exposure over the regulatory limit of 200%.

### **Use of Derivatives or Other Investment Techniques and Instruments**

The Sub-Fund will exchange the performance of the Sub-Fund’s Basket of Securities through OTC Derivatives to gain exposure to the Strategy.

The Sub-Fund may also enter into Total Return Swaps (“TRSs”). Please refer to the chapter entitled “Use of Derivatives, Special Investment and Hedging Techniques” for additional information on TRSs. The principal amount of the Sub-Fund’s total assets that can be subject to TRS is expected to be around 100%. This percentage also represents the maximum amount of the Sub-Fund’s total assets that can be subject to TRS.

For more details, please refer to the chapter entitled “Principal Risks” & “Use of Derivatives, Special Investment and Hedging Techniques” below.

The Sub-Fund is expected to use Natixis as counterparty to the OTC derivative contracts without seeking competitive prices from one or several other counterparties. Due to the fact that the counterparty has indirect capital links with the Investment Manager, conflicts of interests may arise. The Investment Manager supervises these risks of conflicts of interests by the implementation of procedures intended to identify them, to limit them and to assure their fair resolution if necessary.

The Investment Manager will implement appropriate checks of the terms and conditions offered by the counterparty to the Sub-Fund with the view to get a reasonable satisfaction that the counterparty is offering best execution conditions to the Sub-Fund. Such counterparty does not assume any discretion over the selection of securities in the Sub-Fund’s portfolio (i.e. the Basket of Securities) or over the underlying assets of the OTC derivatives (i.e. Equity Selection).

The valuation of the OTC derivatives will be provided by the counterparty, but the Investment Manager will make its own independent valuation thereof.

The Sub-Fund does not intend to enter into SFTs.

### **Defensive Strategies**

Under certain exceptional market conditions (e.g. high level of market volatility or market crash), the Sub-Fund may invest a significant amount of its assets in cash and cash equivalents (including bank deposits, Money

Market Instruments, short-term government bonds and short-term government agency bonds only), if the Investment Manager believes that it would be in the best interests of the Sub-Fund and its Unitholders. When the Sub-Fund is pursuing a defensive strategy, it will not be pursuing its investment objective.

#### Reference Index

The Sub-Fund is not using a benchmark index and is not managed in reference to a benchmark index.

#### Specific Risks

The risks of the Sub-Fund are managed through the use of the “Commitment Approach” method described under “Use of Derivatives, Special Investment and Hedging Techniques”–“Derivatives” / “Global Risk Exposure”.

The specific risks of investing in the Sub-Fund are linked to:

- Equity securities
- Large capitalization companies
- Smaller capitalization companies
- Exchange rates
- ESG driven investments
- Changes in laws or tax regimes
- Financial derivatives instruments
- Counterparty risks
- Geographic concentration
- Change in interest rates
- Sustainability risks

For a complete description of these risks, please refer to the chapter entitled “Principal Risks” below. This same chapter also describes the other risks linked to an investment into the Sub-Fund.

#### Typical Investors’ Profile

The Sub-Fund is suitable for institutional and retail investors who:

- are looking for a diversification of their investments with a European equity exposure
- can afford to set aside capital for 5 years;
- can accept capital losses.

#### Characteristics

##### Characteristics of the Unit Classes available in the Sub-Fund

Unit Class	Reference Currency	Currency of Quotation	Dividend Policy
I/A (EUR)*	Euro	Euro	Accumulation
I/DIVQ5 (EUR)*	Euro	Euro	Distribution
I/DIVQ4 (EUR)*	Euro	Euro	Distribution

*\*The three unit classes of the Sub-Fund may be only subscribed with the prior approval of the board of directors of the Management Company acting on behalf of the Fund.*

Class “DIVQ” Units aim at distributing expected income on a quarterly basis as further detailed in the section regarding the “Dividend Policy” in the Chapter entitled “Subscription, Transfer, Conversion, and Redemption of Units” below. As part of the calculation criteria for the available DIV Unit Classes in this Sub-Fund, the dividends will be calculated on a forward-looking basis while seeking to deliver respectively 5% p.a. coupon distribution for I/DIVQ5 (EUR) Unit Classes and 4% p.a. coupon distribution for I/DIVQ4 (EUR) Unit Classes.

Should the actual level (amounts) of dividends paid out by the Equity Selection and/or capital gains be lower than the Sub-Fund’s fixed amount of distribution, the distribution paid by the Sub-Fund would amount to a reduction of capital. For more details, please refer to the chapter entitled “Subscription, Transfer, Conversion, and Redemption of Units” below.



Unit Class	All-in-Fee	Maximum Subscription Fees *	Redemption Charge	Minimum Initial Investment	Minimum Holding
I/A (EUR)	0.70% p.a.	5%	None	None	None
I/DIVQ4 (EUR)	0.70% p.a.	5%	None	None	None
I/DIVQ5 (EUR)	0.70% p.a.	5%	None	None	None

\* Subscription Fees will be calculated on the amount of the subscription proceeds and paid to the Sub-Fund. The Management Company reserves the right to waive these subscription fees if it considers it is in the best interest of the Unitholders.

### ***Subscriptions and Redemptions in the Sub-Fund: Pricing and Settlement***

Valuation Day	Subscription/ Redemption Date	Application Date and Cut-Off Time	Settlement Date
Each full bank business day in Luxembourg	D* (i.e., any full bank business day in Luxembourg)	D at 13h30 Luxembourg time	D+2

\*D = Day on which the subscription, redemption or conversion application is processed by the Sub-Fund's Registrar and Transfer Agent. Applications received by the Sub-Fund's Registrar and Transfer Agent before the cut-off time on any full bank business day in Luxembourg will be processed on such day. Applications received after the cut-off time will be processed on the following full bank business day in Luxembourg

### ***Investment Manager***

The Investment Manager of the Sub-Fund is MIROVA.

### ***Initial offer period:***

Unit Class	Initial Offer Period	Initial Offer Price
I/A (EUR)	Date on which the first subscription occurs	EUR100
I/DIVQ4 (EUR)		EUR100
I/DIVQ5 (EUR)		EUR100

## Mirova Opportunités Sociales, Santé & Bien-Être

This product has:

☒ Has a sustainable investment objective (classified as Article 9 under the SFDR)

☐ Promotes environmental and social characteristics but does not have as its objective a sustainable investment

### Investment Objective

The investment objective of Mirova Opportunités Sociales, Santé & Bien-Être (the "Sub-Fund") is, over the recommended minimum investment period of 5 years, to seek exposure to US and European equity markets through a selection of companies generating positive social contributions with a specific focus on healthcare and well-being themes and meeting the Investment Manager's Environmental, Social and Governance (ESG) criteria.

### Investment Policy

#### ➤ Principal Investment Strategy

The Sub-Fund follows a thematic responsible investment strategy focused on US and European companies generating positive social contributions with a specific focus on healthcare and well-being themes, such as those promoting good health, providing self-care and/or education services or individuals/communities basic services.

The Sub-Fund seeks to achieve its investment objective by getting exposed to a portfolio of equities issued by companies which also meet the Investment Manager's Environmental, Social and Governance (ESG) criteria (the "**Proprietary Strategy**"). For further information with regard to the sustainable investment objective of the Sub-Fund, please refer to the SFDR Annex.

The Proprietary Strategy is managed in accordance with the investment restrictions as set out in the chapter "Investment Restrictions" of the Prospectus (the "**Investment Restrictions**").

The Sub-Fund will get exposure to the Proprietary Strategy through the use of OTC derivatives such as total return swaps ("TRS") and equity swaps (together "**OTC Derivatives**"). While getting exposure to the Proprietary Strategy through OTC Derivatives, the Sub-Fund will invest its net assets in a basket of highly liquid securities (hereafter the "**Basket of Securities**") in accordance with the Investment Restrictions and will exchange the value of such Basket of Securities against the value of the Proprietary Strategy.

**Basket of Securities** - As part of the Sub-Fund's investments in the Basket of Securities, the Sub-Fund may invest:

- Mainly in European equities issued by companies of any market capitalization and of all GICS (i.e. Global Industry Classification Standard - MSCI and S&P) level 1 sectors (10 sectors) and almost all level 2 sectors (24 sectors) which activities relate, in the opinion of the Investment Manager, to sustainable investment themes as further described below<sup>4</sup>;
- In bonds (fixed and variable rate), indexed bonds, listed covered bonds, other secured bonds which qualify as green bonds in accordance with the Investment Manager's internal analysis process as further described below<sup>5</sup>, and money market instruments denominated in Euro.
- Up to 10% of its net assets in other types of securities than those described above as well as in other money market instruments and cash equivalents.

On an ancillary basis, the Sub-Fund may also hold cash for up to 20% of its assets under normal market circumstances.

The investment process used for the Basket of Securities relies on security picking based on a deep fundamental analysis of issuers combining both financial and ESG (Environmental, Social and Governance) considerations as further described below<sup>6</sup>. This analysis shall ensure that the issuers meet the following criteria:

<sup>4</sup> Please refer to the section: "Description of the extra-financial analysis and consideration of the ESG criteria"

<sup>5</sup> Please refer to the section: "Description of the extra-financial analysis and consideration of the ESG criteria"

<sup>6</sup> Please refer to the section: "Description of the extra-financial analysis and consideration of the ESG criteria"

- the ability to provide positive innovative solutions to tackle issues related to identified sustainable themes;
- the sustainable quality of the business model; competitive positioning, management team and capacity to finance growth;
- the overall quality of their ESG practices.

**Proprietary Strategy** – The equity portfolio of the Proprietary Strategy is determined by a selection process implemented by the Investment Manager and targets companies of any market capitalization generating positive social contributions with a specific focus on healthcare and well-being thematic, such as those promoting a good health, providing self-care and/or education or individuals/communities basic services. The Proprietary Strategy aims at generating a positive social contribution and an attractive financial return simultaneously and will be exposed to both US and European markets. The investment process is broken down into **two main steps**:

- Step 1: Definition of the Equity Selection's universe:

The Investment Manager will select securities which are considered by the Investment Manager to present high added value from a social perspective, for example related to promoting good health and well-being, the provision of affordable and clean energy, clean water and sanitation, the reduction of inequalities, as well as the development of sustainable cities and communities. In particular, companies who contribute positively to the challenges of health will represent up to one third of the equity portfolio weightings. All securities are selected on the basis of ESG methodology developed by the Investment Manager as further described below.

- Step 2: Portfolio construction and management:

The equity portfolio is built using a quantitative process, while limiting the active share under several constraints such as market capitalization and free-floating share. This portfolio is adjusted by the Investment Manager on a discretionary basis in order to manage the exposure to securities actively as well as the portfolio's exposure to factor-based risks (sector, style, macroeconomic, etc.). Any exposure to securities obtained via the Proprietary Strategy will only consist of long positions.

In order to mitigate risks, the exposure of the Sub-Fund to equity markets through the Proprietary Strategy may reach an expected level of 100% (in certain circumstances this proportion may be higher). When the exposure to equity markets is reduced below 100%, the Sub-Fund will be exposed in counterpart to a euro money market rate. In any case, the Sub-Fund will not be able to get an exposure over the regulatory limit of 200%.

#### ➤ **Use of Derivatives or Other Investment Techniques and Instruments**

The Sub-Fund will exchange the performance of the Sub-Fund's Basket of Securities through OTC Derivatives to gain exposure to the Proprietary Strategy.

The Sub-Fund may also enter into funded TRS. Please refer to the chapter entitled "Use of Derivatives, Special Investment and Hedging Techniques" for additional information on TRSs. The principal amount of the Sub-Fund's total assets that can be subject to TRS is expected to be around 100%. This percentage also represents the maximum amount of the Sub-Fund's total assets that can be subject to TRS.

For more details, please refer to the chapter entitled "Principal Risks" & "Use of Derivatives, Special Investment and Hedging Techniques" below.

The Sub-Fund is expected to use Natixis as counterparty to the OTC derivative contracts without seeking competitive prices from one or several other counterparties. Due to the fact that the counterparty has indirect capital links with the Investment Manager, conflicts of interests may arise. The Investment Manager supervises these risks of conflicts of interests by the implementation of procedures intended to identify them, to limit them and to assure their fair resolution if necessary.

The Investment Manager will implement appropriate checks of the terms and conditions offered by the counterparty to the Sub-Fund with the view to get a reasonable satisfaction that the counterparty is offering best execution conditions to the Sub-Fund. Such counterparty does not assume any discretion over the selection of securities in the Sub-Fund's portfolio (i.e. the Basket of Securities) or over the underlying assets of the OTC Derivatives (i.e. Equity Selection).

The valuation of the OTC Derivatives will be provided by the counterparty, but the Investment Manager will make its own independent valuation thereof.

For the sake of clarity, the voting rights attached to the equities to which the Sub-Fund is exposed via the OTC Derivatives will not be exercised by the counterparty.

The Sub-Fund does not intend to enter into SFTs.

#### ➤ **Defensive Strategies**

Under certain exceptional market conditions (e.g. high level of market volatility or market crash), the Sub-Fund may invest a significant amount of its assets in cash and cash equivalents (including bank deposits, Money Market Instruments, short-term government bonds and short-term government agency bonds only), if the Investment Manager believes that it would be in the best interests of the Sub-Fund and its Unitholders. When the Sub-Fund is pursuing a defensive strategy, it will not be pursuing its investment objective.

#### ➤ **Reference Index**

The Sub-Fund is not using a benchmark index and is not managed in reference to a benchmark index.

### **Specific Risks**

The risks of the Sub-Fund are managed through the use of the “Commitment Approach” method described under “Use of Derivatives, Special Investment and Hedging Techniques”–“Derivatives” / “Global Risk Exposure”.

The specific risks of investing in the Sub-Fund are linked to:

- Equity securities
- Large capitalization companies
- Smaller capitalization companies
- Exchange rates
- ESG driven investments
- Changes in laws or tax regimes
- Financial derivatives instruments
- Counterparty risks
- Geographic concentration
- Change in interest rates
- Sustainability risks

For a complete description of these risks, please refer to the chapter entitled “Principal Risks” below. This same chapter also describes the other risks linked to an investment into the Sub-Fund.

### **Typical Investors’ Profile**

The Sub-Fund is suitable for institutional and retail investors who:

- are looking for a diversification of their investments with a European and US equity exposure;
- can afford to set aside capital for 5 years;
- can accept capital losses.

### **Characteristics**

#### **Characteristics of the Unit Classes available in the Sub-Fund**

<b>Unit Class</b>	<b>Reference Currency</b>	<b>Currency of Quotation</b>	<b>Dividend Policy</b>
I/A (EUR)*	Euro	Euro	Accumulation
I/DIVQ5 (EUR)*	Euro	Euro	Distribution
I/DIVQ (EUR)*	Euro	Euro	Distribution

*\*The three unit classes of the Sub-Fund may be only subscribed with the prior approval of the board of directors of the Management Company acting on behalf of the Fund.*

Class “DIV” Units aim at distributing expected income on an annual basis as further detailed in the section regarding the “Dividend Policy” in the Chapter entitled “Subscription, Transfer, Conversion, and Redemption of Units” below. As part of the calculation criteria for the available DIV Unit Classes in this Sub-Fund, the dividends will be calculated on a forward-looking basis while seeking to deliver respectively 5% p.a. coupon distribution for I/DIVQ5 (EUR) Unit Classes and 5 euros p.a. coupon distribution for I/DIVQ (EUR) Unit Classes.

Should the actual level (amounts) of dividends paid out by the Equity Selection and/or capital gains be lower than the Sub-Fund’s fixed amount of distribution, the distribution paid by the Sub-Fund would amount to a reduction of capital. For more details, please refer to the chapter entitled “Subscription, Transfer, Conversion, and Redemption of Units” below.

Unit Class	All-in-Fee	Maximum Subscription Fees *	Redemption Charge	Minimum Initial Investment	Minimum Holding
I/A (EUR)	0.70% p.a.	5%	None	None	None
I/DIVQ5 (EUR)	0.70% p.a.	5%	None	None	None
I/DIVQ(EUR)	0.70% p.a.	5%	None	None	None

\* Subscription Fees will be calculated on the amount of the subscription proceeds and paid to the Sub-Fund. The Management Company reserves the right to waive these subscription fees if it considers it is in the best interest of the Unitholders.

#### ***Subscriptions and Redemptions in the Sub-Fund: Pricing and Settlement***

Valuation Day	Subscription/ Redemption Date	Application Date and Cut-Off Time	Settlement Date
Each full bank business day in Luxembourg	D* (i.e., any full bank business day in Luxembourg)	D at 13h30 Luxembourg time	D+2

\*D = Day on which the subscription, redemption or conversion application is processed by the Sub-Fund’s Registrar and Transfer Agent. Applications received by the Sub-Fund’s Registrar and Transfer Agent before the cut-off time on any full bank business day in Luxembourg will be processed on such day. Applications received after the cut-off time will be processed on the following full bank business day in Luxembourg

#### ***Investment Manager***

The Investment Manager of the Sub-Fund is MIROVA.

#### ***Initial offer period:***

Unit Class	Initial Offer Period	Initial Offer Price
I/A (EUR)	Date on which the first subscription occurs	EUR100
I/DIVQ5 (EUR)		EUR100
I/DIVQ (EUR)		EUR100

## Natixis Thematic Flexible Allocation 2027 Fund

### Investment Objective

The investment objective of Natixis Thematic Flexible Allocation 2027 Fund is to seek to deliver a total return through a combination of income and capital appreciation over the 7 year term.

### Investment Policy

#### Principal Investment Strategy

The Sub-Fund's strategic allocation is based on three thematic sleeves:

1. **Fixed Income:** the Sub-Fund may invest 55 - 80% of its net assets in euro denominated investment grade corporate bonds.
2. **Equity:** the Sub-Fund may invest 20% - 45% of its net assets in equity securities worldwide.
3. **Diversification:** the Sub-Fund may invest up to 10% of its net assets in other funds and exchange traded products.

The **Fixed Income** sleeve is invested primarily in euro denominated investment grade corporate bonds selected among the largest issues (amount outstanding above 750M EUR at the time of the investment). A minimum rating of BBB- by Standard & Poor's or Baa3 by Moody's is required to be qualified as Investment Grade. If one of the rating agencies rates the bond as Investment Grade, it is eligible for inclusion in the portfolio. The composition of the Fixed Income sleeve will be determined by the Investment Manager, which relies on the advice of Ossiam. It is based on a systematic selection of bonds with the highest upside potential as measured by a systematic valuation metric (including analysis of credit spread). The Investment Manager aims at selecting the corporate bonds that will maximise the return of the Fixed Income sleeve while aiming to maintain a low credit risk profile. At each rebalancing, each selected debt-security will be equally weighted. The Fixed Income sleeve is reconstituted and rebalanced on a quarterly basis.

The **Equity** sleeve is invested primarily in securities of companies worldwide that have been identified by the Sub-Investment Manager, Thematics Asset Management, as being participants in or having an exposure to the potential growth relating to global investment themes implemented through the Sub-Investment Manager's strategies, such as, but not limited to, Water, Safety, AI & Robotics and Subscription Economy. In particular the Sub-Investment Manager focuses on companies it assesses as having an attractive risk/return profile, driven by long-term secular trends. It aims to benefit from such long-term global trends in, for example, demographic, environmental, technological and lifestyle factors. The Sub-Investment Manager includes Environmental, Social and Governance (ESG) considerations for both the selection and the capital allocation decision processes which will result in:

- excluding controversial activities and issuers during the screening process;
- including non-financial considerations such as ESG risks materiality assessment in the fundamental analysis of companies;
- holding active ownership by voting in general meetings and engaging with companies held in the portfolio on ESG topics.

The Sub-Fund's equity investments are unconstrained by industry, index, currency, geographical considerations or capitalization size. The Sub-Investment Manager aims to invest in companies whose shares are selling below the Investment Manager's estimate of intrinsic value. The Sub-Fund may invest in common stocks, preferred stocks and, on an ancillary basis, closed-ended real estate investment trusts ("REITS"), equity-related instruments such as warrants, equity-linked notes, convertible bonds whose value is derived from the value of any of those equity securities, and depositary receipts for any of those equity investments.

The **Diversification** sleeve is invested mostly in other funds from the Natixis Investment Managers' Group and exchange traded products. The Sub-Fund may invest in liquid instruments such as UCITS, UCI and open-ended ETF/ETC aiming at gaining exposure for instance to currencies, commodities, listed real estate, listed private equity, listed infrastructures, emerging debt, high yield debt and absolute return strategies. The Diversification sleeve has a more opportunistic approach than the rest of the portfolio as it aims to capture shorter term investment opportunities.



The Investment Manager actively adjusts the allocation between the three sleeves over time to optimize the portfolio to markets environments. It relies on an in-depth analysis of fundamental macroeconomic criteria, in conjunction with an analysis of market cycles. This flexible top-down approach to the allocation aims to adapt the portfolio to changing market conditions and to take advantage and/or smooth out the impact of economic cycles and asset values.

In order to efficiently manage the portfolio allocation, the Investment Manager may implement **Overlay strategies**, to gain or hedge specific portfolio exposures beyond those resulting from the portfolio direct investments. Overlay strategies may also permit to implement tactical views and benefit from market opportunities to generate additional returns. The Overlay strategy is actively managed through the use of derivative instruments such as:

- Futures and /Or options on equities, interest rates and currencies;
- Swaps and/or forward contracts on interest rates and currencies.

There is no systematic hedging policy against currency risk; as a result, the portfolio of the Sub-Fund may be exposed to currency risk up to 60% of its net assets.

Resulting from the overall portfolio allocation, the Sub-Fund may also be subject to the following investment guidelines:

- The Sub-Fund may be invested in emerging equity markets up to 25% of its total assets including, but not limited to, certain eligible A-Shares via the Shanghai-Hong Kong Stock Connect program and/or Shenzhen-Hong Kong Stock Connect program (collectively, the “Stock Connects”).
- The Sub-Fund may be invested in emerging bonds markets up to 10% of its total assets, including fixed income securities listed on the China Interbank Bond Market through the mutual bond market access between Mainland China and Hong Kong (the “Bond Connect”).

While the Sub-Fund will invest in debt securities and UCIs that generate income, the Sub-Fund can also distribute from capital.

The Sub-Fund will be established for a period of seven (7) years after the launch date, during which time no further subscriptions will be allowed. Investors who remain invested until maturity will not be subject to any redemption charge, but investors who redeem prior to maturity will be subject to a regressive redemption charge. The Sub-Fund will be liquidated on 30 November 2027 at the latest, or such earlier or later date as determined by the Management Company (the “**Maturity Date**”).

### **Use of Derivatives or Other Investment Techniques and Instruments**

The Sub-Fund may use futures, options, swaps and forward contracts in order to expose its assets to, or hedge its assets against, risks linked to equity, interest rates or exchange rates, within the limits described under “Use of Derivatives, Special Investment and Hedging Techniques” below.

The Sub-Fund does not intend to enter into SFTs.

### **Defensive Strategies**

Under certain exceptional market conditions or during a period of six (6) months before the Maturity Date, the Sub-Fund may invest a significant amount of its assets in cash and cash equivalents (including bank deposits, Money Market Instruments, short-term government bonds and short-term government agency bonds only), if the Investment Manager believes that it would be in the best interests of the Sub-Fund and its Unitholders. When the Sub-Fund is pursuing a defensive strategy, it will not be pursuing its investment objective.

### **Reference Index**

For indicative purposes only, the Sub-Fund’s performance may be compared to the composite index: 65% Bloomberg Barclays Euro Aggregate Corporate + 35% Morgan Stanley Capital International All Country World (“MSCI ACWI”) Index. The Investment Manager is free to select any assets composing its portfolio, in respect with the management strategy and investment constraints. However, in practice, the portfolio of the Sub-Fund is likely to include constituents of the index.



## Specific Risks

The risks of the Sub-Fund are managed through the use of the “Commitment Approach” method described under “Use of Derivatives, Special Investment and Hedging Techniques” – “Derivatives” / “Global Risk Exposure”.

The specific risks of investing in the Sub-Fund are linked to:

- Debt securities
- Credit risk
- Changing interest rates
- Equity securities
- Large capitalization companies
- Smaller capitalization companies
- Exchange rates
- 
- Global investing
- Emerging markets
- Changes in laws or tax regimes
- Liquidity
- Financial derivatives instruments
- Counterparty risks
- Stock Connect
- Bond Connect
- Real estate securities and REITs
- Sustainability risks

For a complete description of these risks, please refer to the chapter entitled “Principal Risks” below. This same chapter also describes the other risks linked to an investment into the Sub-Fund.

## Typical Investors’ Profile

The Sub-Fund is suitable for institutional and retail investors who:

- are looking for a diversification of their investments with a global exposure to a diversified portfolio consisting of equities, bonds and other eligible assets;
- can afford to set aside capital for 7 years (medium long term horizon);
- can accept capital losses.

## Characteristics

### Characteristics of the Unit Classes available in the Sub-Fund

Unit Class	Reference Currency	Currency of Quotation	Dividend Policy
R/A (EUR)	Euro	Euro	Accumulation
R/DIV (EUR)	Euro	Euro	Distribution

Class “DIV” Units aim at distributing expected income on an annual basis as further detailed in the section regarding the “Dividend Policy” in the Chapter entitled “Subscription, Transfer, Conversion, and Redemption of Units” below. As part of the calculation criteria for the available DIV Unit Classes in this Sub-Fund, the dividends will be calculated on a forward looking basis while seeking to deliver 2.5% p.a. coupon distribution”

Unit Class	All-in-Fee	Maximum Subscription Fees	Redemption Charge	Minimum Initial Investment	Minimum Holding
R/A (EUR)	1.70% p.a.*	None	As indicated below	None	None
R/DIV (EUR)	1.70% p.a.*	None	As indicated below	None	None

\* TER will be calculated excluding cash collateral.

\*\* Subscription Fees will be calculated on the amount of the subscription proceeds and paid to the Sub-Fund. The Management Company reserves the right to waive these subscription fees if it considers it is in the best interest of the unitholders.

<b>Periods*</b>	<b>Applicable rate of Redemption Charges</b>
21 September 2020 – 30 November 2020	None
1 December 2020 – 30 November 2021	2%
1 December 2021 – 30 November 2022	1.5%
1 December 2022 – 30 November 2023	1%
1 December 2023 – 30 November 2024	0.75%
1 December 2024 – 30 November 2025	0.50%
1 December 2025 – 30 November 2026	0.25%
1 December 2026 – 30 November 2027	0%

\*As may be adjusted by the board of Directors of the Management Company depending on the actual first subscription date and Initial Offer Period.

### **Initial Offer Period**

<b>Unit Class</b>	<b>Initial Offer Period</b>	<b>Initial Offer Price</b>
R/A (EUR)	From 21 September 2020 to 30 November 2020 or any other dates to be determined by the board of Directors of the Management Company depending on the date on which the first subscription occurs	100 €
R/DIV (EUR)	From 21 September 2020 to 30 November 2020 or any other dates to be determined by the board of Directors of the Management Company depending on the date on which the first subscription occurs	100 €

Subscription applications for the above listed classes during their respective initial offer period must be received (together with cleared funds) during the initial offer period or such earlier or later period as the Directors of the Management Company may in their discretion determine.

Following the closure of the initial offer period (i.e. 30 November 2020 at 13h30(Luxembourg time)), the Sub-Fund will no longer be open to new subscriptions from new investors into the Sub-Fund.

### **Subscriptions and Redemptions in the Sub-Fund: Pricing and Settlement**

<b>Valuation Day</b>	<b>Subscription/ Redemption Date</b>	<b>Application Date and Cut-Off Time</b>	<b>Settlement Date</b>
Each full bank business day in Luxembourg	D* (i.e., any full bank business day in Luxembourg)	D at 13h30 Luxembourg time	D+2

\*D = Day on which the subscription, redemption or conversion application is processed by the Sub-Fund's Registrar and Transfer Agent. Applications received by the Sub-Fund's Registrar and Transfer Agent before the cut-off time on any full bank business day in Luxembourg will be processed on such day. Applications received after the cut-off time will be processed on the following full bank business day in Luxembourg

***Investment Manager, Sub-Investment Manager and Investment Advisor of the Sub-Fund***

The Investment Manager of the Sub-Fund is Natixis Investment Managers International. It is in charge of the overall portfolio allocation and the management of the Fixed Income and Diversification sleeves.

Ossiam has been appointed as Investment Advisor of the Sub-Fund in charge of advising the Investment Manager of the Fund on the investments in euro denominated investment grade corporate bonds of the Fixed Income sleeve.

Thematics Asset Management has been appointed as the Sub-Investment Manager of the Sub-Fund in charge of the management of the investments in the Equity sleeve.

## INVESTMENT RESTRICTIONS

Unless more restrictive rules are provided for in the investment policy of any specific Sub-Fund, each Sub-Fund shall comply with the rules and restrictions detailed below and in the chapter entitled “Use of Derivatives, Special Investment and Hedging Techniques”.

Investors should note that the Investment Manager of any Sub-Fund may decide to comply with more restrictive investment rules set forth by the laws and regulations of jurisdictions where such Sub-Fund may be marketed or by laws and regulations applicable to certain investors in such Sub-Fund.

If the limits set forth below or in the chapter entitled “Use of Derivatives, Special Investment and Hedging Techniques” are exceeded for reasons beyond the control of the Investment Manager, the Investment Manager must adopt as its primary objective in its sale transactions the remedying of such situation, taking due account of the interests of the Sub-Fund’s Unitholders.

### General Restrictions

#### Authorized Investment

If permitted by each Fund’s investment policy, each Sub-Fund may invest in the assets described below.

1. At least 90% of each Sub-Fund’s net assets must consist of:
  - a. Transferable securities or money market instruments admitted to official listing on a stock exchange or dealt in on a regulated market within the meaning of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments or any other regulated market that operates regularly, is recognized and is open to the public (“Regulated Market”) located in a Member State or any other country of Europe, Asia, Oceania, Africa or the American continents.
  - b. Recently issued transferable securities or money market instruments for which an undertaking has been made that application will, or has been made, for admission to official listing on any Regulated Market, provided that such admission is effectively secured within one (1) year of issue.
  - c. Units of undertakings for collective investment in transferable securities (“UCITS”) authorized according to the EC Directive of European Parliament and of the

Council of 13 July 2009 (2009/65/EC) (“UCITS Directive”) and/or other undertakings for collective investment (“UCI”) within the meaning of the first and second indent of Article 1, paragraph (2) a) and b) of the UCITS Directive, whether or not established in a Member State (as defined under the Law, provided that:

- Such other UCIs must be authorized under laws of either a Member State or a state in respect of which the Luxembourg supervisory authority considers that the level of (i) supervision of such UCIs is equivalent to that provided for under Community law and (ii) cooperation between the relevant local authority and the Luxembourg supervisory authority is sufficiently ensured.
  - Such other UCIs must provide to their unitholders a level of protection that the Investment Manager may reasonably consider to be equivalent to that provided to unitholders by UCITS within the meaning of Article 1(2) a) and b) of the UCITS Directive, in particular with respect to the rules on assets segregation, applying to portfolio diversification and borrowing, lending and short sales transactions.
  - Such UCIs must issue semi-annual and annual reports.
  - The organizational documents of the UCITS or of the other UCIs must restrict investments in other undertakings for collective investment to no more than 10% of their aggregate net assets.
- d. Time deposits with credit institutions, under the following restrictions:
    - Such deposits may be withdrawn at any time.
    - Such deposits must have a residual maturity of less than twelve (12) months.
    - The credit institution must have its registered office in a Member State or, if its registered office is located in another state, the credit institution must be subject to prudential rules considered by the Luxembourg supervisory authority to be equivalent to those provided for under Community law.
  - e. Money market instruments other than those dealt in on a Regulated Market, under the following restrictions:

- The issue or the issuer of such instruments must be regulated in terms of investor and savings protection.
  - Such instruments must be either (i) issued or guaranteed by an EU Member State, its local authorities or central bank, the European Central Bank, the EU, the European Investment Bank, any other state that is not an EU Member State, a public international body of which one or more EU Member States are members or, in the case of a federal state, any one of the entities forming part of the federation; or (ii) issued by a corporate entity whose securities are traded on a Regulated Market; or (iii) issued or guaranteed by an entity that is subject to prudential supervision in accordance with criteria defined under Community law; or (iv) issued or guaranteed by an entity that is subject to prudential rules considered by the Luxembourg supervisory authority to be equivalent to those provided for under Community law; or (v) issued by other entities that belong to categories of issuers approved by the Luxembourg supervisory authority, provided that investments in such instruments are subject to investor protection equivalent to that provided by the types of issuers mentioned in Paragraph e.(i) to (iv) above. The issuer of the instruments referred to in Paragraph e.(v) above must be a company (x) whose capital and reserves amount to at least €10 million, (y) that issues its annual financial statements in accordance with EEC Council Directive 78/660/EEC, and (z) that, within a group of companies including at least one listed company, is dedicated to the financing of the group or is an entity dedicated to the financing of securitization vehicles that benefits from a bank liquidity line.
- f. Derivatives, under the conditions set forth in the chapter entitled “Use of Derivatives, Special Investment and Hedging Techniques”.
- g. Cash, under the conditions set forth in the section below entitled “Cash Management”.
- h. Securities issued by one or several other Sub-Funds (the “Target Sub-Fund(s)”), under the following conditions:
- The Target Sub-Fund does not, in turn, invest in the investing Sub-Fund,
  - The voting rights linked to the transferable securities of the Target Sub-Fund are suspended during the period of investment without prejudice to

the appropriate processing in the accounts and relevant periodic reports, and,

- In any event, for as long as these securities are held by the Fund, their value will not be taken into consideration for the calculation of the net asset value for the purposes of verifying the minimum threshold of the net assets imposed by the Law.

2. Up to 10% of each Sub-Fund’s net assets may consist of assets other than those referred to under Paragraph 1 above.

### Cash Management

Each Sub-Fund may:

1. Hold up to 20% of its net assets in cash. In exceptional circumstances, this limit may be temporarily exceeded if the Fund considers this to be in the best interest of the Unitholders.
2. Borrow up to 10% of its net assets on a temporary and non-recurring basis.
3. Acquire foreign currency by means of back-to-back loans.

### Investments in any one Issuer

For the purpose of the restrictions described in Paragraphs 1 through 5 and 8 below and Paragraphs 2, 5 and 6 of the chapter entitled “Use of Derivatives, Special Investment and Hedging Techniques”, issuers that consolidate or combine their accounts in accordance with Directive 83/349/EEC or recognized international accounting rules are regarded as one and the same Group issuer (“Issuing Group”).

Issuers that are UCIs structured as SICAVs, defined as a legal entity with several separate sub-funds or portfolios, whose assets are held exclusively by the investors of such sub-fund or portfolio and which may be held severally liable for its own debts and obligations shall be treated as a separate issuer for the purposes of Paragraphs 1 through 5, 7 through 8 below and Paragraphs 2 and 4 through 6 of the chapter entitled “Use of Derivatives, Special Investment and Hedging Techniques”.

Each Sub-Fund shall comply with the following restrictions within six (6) months following its launch:

### Transferable Securities and Money Market Instruments

1. Each Sub-Fund shall comply with the following restrictions:

- a. No Sub-Fund may invest more than 10% of its net assets in transferable securities or money market instruments of any one issuer.
  - b. Where investments in transferable securities or money market instruments of any one issuer exceed 5% of the Sub-Fund's net assets, the total value of all such investments may not exceed 40% of the Sub-Fund's net assets. This limitation does not apply to time deposits and OTC Derivatives that satisfy the requirements described in the chapter entitled "Use of Derivatives, Special Investment and Hedging Techniques" below.
2. No Sub-Fund may invest in the aggregate more than 20% of its net assets in transferable securities or money market instruments issued by the same Issuing Group.
  3. Notwithstanding the limit set forth in Paragraph 1.a. above, each Sub-Fund may invest up to 35% of its net assets in any one issuer of transferable securities or money market instruments that are issued or guaranteed by a Member State, its local authorities, any other state that is not a Member State or a public international body of which one or more Member States are members.
  4. Notwithstanding the limit set forth in Paragraph 1.a. above, each Sub-Fund may invest up to 25% in any one issuer of qualifying debt securities issued by a credit institution that has its registered office in a Member State and, under applicable law, is submitted to specific public control in order to protect the holders of such qualifying debt securities. Qualifying debt securities are securities the proceeds of which are invested in accordance with applicable law in assets providing a return covering the debt service through to the maturity date of the securities and will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. Where investments in any one issuer of qualifying debt securities exceed 5% of the Sub-Fund's net assets, the total value of such investments may not exceed 80% of the Sub-Fund's net assets.
  5. The investments referred to in Paragraphs 3 and 4 above may be disregarded for the purposes of calculating the 40% limit set forth in Paragraph 1.b. above.
  6. **Notwithstanding the foregoing, each Sub-Fund may invest up to 100% of its net assets in transferable securities or money market instruments issued or guaranteed by a**

**Member State, its local authorities, any other Member State of the Organization for Economic Co-operation and Development ("OECD") or a public international body of which one or more Member States are members, provided that such securities are part of at least six different issues and the securities from any one issue do not account for more than 30% of the Sub-Fund's net assets.**

7. Notwithstanding the limits set forth in Paragraph 1 above, each Sub-Fund whose investment policy is to replicate the composition of a stock or debt security index may invest up to 20% of its net assets in stocks or debt security issued by any one issuer under the following restrictions:
  - a. The index must be recognized by the Luxembourg supervisory authority.
  - b. The composition of the index must be sufficiently diversified.
  - c. The index must be an adequate benchmark for the market represented in such index.
  - d. The index must be appropriately published.

The 20% limit referred to above may be raised to 30% under exceptional market conditions, particularly those impacting the Regulated Markets where certain transferable securities or money market instruments are highly dominant. The investment up to this 30% limit is only permitted for one single issuer.

#### Bank Deposits

8. A Sub-Fund may not invest more than 20% of its net assets in deposits made with any one institution.

#### Units of other UCIs

9. Each Sub-Fund shall comply with the following restrictions:
  - a. No Sub-Fund may invest more than 20% of its net assets in the units of any one UCI. For the purposes of this Paragraph, each sub-fund of a UCI with several sub-funds within the meaning of Article 181 of the Law, must be considered as a separate issuer, provided that each sub-fund may be held severally liable for its own debts and obligations.
  - b. Investments made in units of UCIs other than UCITS may not in the aggregate exceed 30% of the net assets of each Sub-Fund.
  - c. When a Sub-Fund has acquired units of other UCITS and/or UCIs, the underlying assets of such UCITS and/or UCIs do not have to be taken into account for the



purposes of the limits set forth in Paragraphs 1 through 5 and 8 of the section entitled “Investment in any one issuer” and Paragraphs 2, 5 and 6 of the chapter entitled “Use of Derivatives, Special Investments and Hedging Techniques”.

- d. If any UCITS and/or UCI in which a Sub-Fund invests is managed directly or indirectly by the same investment manager or if such UCITS and/or UCI is managed by a company linked to the Sub-Fund by common management or control or by way of a direct or indirect stake of more than 10% of the capital or votes, investment in the securities of such UCITS and/or UCI shall be permitted only if neither sales charges nor redemption charges are paid by the Sub-Fund on account of such investment.
- e. A Sub-Fund that invests a substantial proportion of its assets in other UCITS and/or UCIs shall disclose in the Prospectus the maximum level of investment management fees that may be charged both to the Sub-Fund itself and to the other UCITS and/or UCIs in which it intends to invest. In the annual report of the Fund, the Management Company shall indicate the investment management fees actually charged both to the Sub-Fund itself and to the other UCITS and/or UCIs in which the Sub-Fund invests.

### **Combined Limits**

10. Notwithstanding the limits set forth in Paragraphs 1 and 8 of the section entitled “Investment in any one Issuer” and Paragraph 2 of the chapter entitled “Use of Derivatives, Special Investments and Hedging Techniques, no Sub-Fund may combine (a) investments in transferable securities or money market instruments issued by, (b) deposits made with, (c) exposure arising from OTC Derivative transactions undertaken with, or (d) exposure arising from efficient portfolio management techniques with any one entity in excess of 20% of its net assets.
11. The limits set forth in Paragraphs 1, 3, 4 and 8 of the section entitled “Investments in any one Issuer” and Paragraph 2 of the entitled “Use of Derivatives, Special Investments and Hedging Techniques” may not be aggregated. Accordingly, each Sub-Fund’s investments in transferable securities or money market instruments issued by, and deposits, derivatives instruments or efficient portfolio management techniques made with, any one issuer in accordance with Paragraphs 1, 3, 4 and 8 of the section entitled “Investments in any one Issuer” and Paragraph 2 and 5 of the chapter entitled

“Use of Derivatives, Special Investment and Hedging Techniques” may under no circumstances exceed 35% of its net assets.

### **Master-feeder Structures**

12. Any Sub-Fund which acts as a feeder fund (the “Feeder”) of a master fund shall invest at least 85% of its assets in shares/units of another UCITS or of a compartment of such UCITS (the “Master”), which shall neither itself be a feeder fund nor hold units/shares of a feeder fund. The Feeder may not invest more than 15% of its assets in one or more of the following:

- a) ancillary liquid assets in accordance with Article 41 (2), second paragraph of the Law;
- b) financial derivative instruments, which may be used only for hedging purposes, in accordance with Article 41 (1) g) and Article 42 (2) and (3) of the Law;
- c) movable and immovable property which is essential for the direct pursuit of the Fund’s business.

When a Sub-Fund invests in the shares/units of a Master which is managed, directly or by delegation by the same management company or by any other company with which such management company is linked by common management or control, or by a substantial direct or indirect holding, the management company or such any other company may not charge subscription or redemption fees on account of the Sub-Fund investment in the shares/units of the Master.

The maximum level of the management fees that may be charged both to the Feeder and to the Master is disclosed in this Prospectus. The Fund indicates the maximum proportion of management fees charged both to the Sub-Fund itself and to the Master in its annual report. The Master shall not charge subscription or redemption fees for the investment of the Feeder into its shares/units or the disinvestment thereof.

### **Influence over any one Issuer**

The influence that the Fund or each Sub-Fund may exercise over any one issuer shall be limited as follows:

1. Neither the Fund nor any Sub-Fund may acquire shares with voting rights which would enable such Sub-Fund or the Fund as a whole to exercise a significant influence over the management of the issuer.
2. Neither any Sub-Fund nor the Fund as a whole may acquire (a) more than 10% of the outstanding non-voting shares of the same



issuer, (b) more than 10% of the outstanding debt securities of the same issuer, (c) more than 10% of the money market instruments of any single issuer, or (d) more than 25% of the outstanding units of the same UCITS and/or UCI.

The limits set forth in Paragraph 2(b) through 2(d) above may be disregarded at the time of the acquisition if at that time the gross amount of debt securities or money market instruments or the net amount of the instruments in issue may not be calculated.

The limits set forth in Paragraphs 1 and 2 of this section above do not apply in respect of:

- Transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities, any other state that is not a Member State or a public international body of which one or more Member States are members.
- Shares held by the Fund in the capital of a company incorporated in a state that is not an EU Member State provided that (a) this issuer invests its assets mainly in securities issued by issuers of that state, (b) pursuant to the laws of that state such holding constitutes the only possible way for the Sub-Fund to purchase securities of issuers of that state, and (c) such company observes in its investment policy the restrictions in this section as well as those set forth in Paragraphs 1 through 5 and 8 through 11 of the section entitled "Investments in any one Issuer" and Paragraphs 1 and 2 of this section.
- Shares in the capital of affiliated companies which, exclusively on behalf of the Fund, carry on only the activities of management, advice or marketing in the country where the affiliated company is located with respect to the redemption of Units at the request of Unitholders.

## Overall Risk and Risk Management Process

The Management Company must implement a risk management process that enables it to monitor and measure at any time the risks related to the assets held in the Sub-Funds and their contribution to the overall risk profile of the Sub-Funds. Whenever such risk management process is implemented on behalf of the Management Company by the Investment Manager, it is deemed to be implemented by the Management Company.

Specific limits and risks relating to financial derivatives instruments are respectively described under the section "Derivatives" of the chapter entitled "Use of Derivatives, Special Investment and Hedging Techniques" and the section "Risks Associated with Financial Derivatives Instruments" of the chapter entitled "Principal Risks" below.

## Prohibited Transactions

Each Sub-Fund is prohibited from engaging in the following transactions:

- Acquiring commodities, precious metals or certificates representing commodities or metals;
- Investing in real property unless investments are made in securities secured by real estate or interests in real estate or issued by companies that invest in real estate or interests in real estate;
- Issuing warrants or other rights to subscribe in Units of the Sub-Fund;
- Granting loans or guarantees in favor of a third party. However such restriction shall not prevent each Sub-Fund from investing up to 10% of its net assets in non fully paid-up transferable securities, money market instruments, units of other UCIs or financial derivative instruments; and
- Entering into uncovered short sales of transferable securities, money market instruments, units of other UCIs or financial derivative instruments.

## USE OF DERIVATIVES, SPECIAL INVESTMENT AND HEDGING TECHNIQUES

For the purpose of hedging, efficient portfolio management, duration management, other risk management of the portfolio or investment, a Sub-Fund may use the following techniques and instruments relating to transferable securities and other liquid assets.

Under no circumstance shall these operations cause a Sub-Fund to fail to comply with its investment objective and policy.

### Derivatives

1. A Sub-Fund may use derivatives, including options, futures, swaps and forward contracts, for risk management, hedging or investment purposes, as specified in the Sub-Fund's investment policy. Any such derivatives transaction shall comply with the following restrictions:
  - a. Such derivatives must be traded on a Regulated Market or over-the-counter with counterparties that are subject to prudential supervision and belong to the categories of counterparties approved by the Luxembourg supervisory authority.
  - b. The underlying assets of such derivatives must consist of either the instruments mentioned in Paragraph 1 of the section entitled "Authorized Investments" or financial indices, interest rates, foreign exchange rates or currencies in which the relevant Sub-Fund invests in accordance with its investment policy.
  - c. Such derivatives, if traded over-the-counter ("OTC Derivatives"), must be subject to reliable and verifiable pricing on a daily basis and may be sold, liquidated or closed by the Sub-Fund at any time at their fair value

### Investments in any one Issuer

2. The risk exposure to any one counterparty in an OTC Derivative transaction may not exceed:
  - a. 10% of each Sub-Fund's net assets when the counterparty is a credit institution that has its registered office in a Member State or, if its registered office is located in another state, that is subject to prudential rules considered by the Luxembourg supervisory authority to be equivalent to those provided for under Community law, or
  - b. 5% of each Sub-Fund's net assets when the

counterparty does not fulfill the requirements set forth above.

3. Investments in financial derivatives instruments that are not index-based shall comply with the limits set forth in Paragraphs 2, 5 and 11 of the section entitled "Investments in any one Issuer" of the chapter entitled "Investment Restrictions" and Paragraph 6 of this chapter, provided that the exposure to the underlying assets does not exceed in the aggregate the investment limits set forth in Paragraphs 1 through 5 and 8 of the chapter entitled "Investment Restrictions" and Paragraphs 2, 5 and 6 of this chapter.
4. When a transferable security or money market instrument embeds a derivative, such derivative must comply with the requirements of Paragraph 3 above and those set forth under "Global Risk Exposure" below.

### Combined Limits

5. Notwithstanding the limits set forth in Paragraphs 1 and 8 of the section entitled "Investment in any one Issuer" and Paragraph 2 of the chapter entitled "Use of Derivatives, Special Investments and Hedging Techniques", no Sub-Fund may combine (a) investments in transferable securities or money market instruments issued by, (b) deposits made with, (c) exposure arising from OTC Derivative transactions undertaken with, or (d) exposure arising from efficient portfolio management techniques with any one entity in excess of 20% of its net assets.
6. The limits set forth in Paragraphs 1, 3, 4 and 8 of the section entitled "Investments in any one Issuer" and Paragraph 2 of the chapter entitled "Use of Derivatives, Special Investments and Hedging Techniques" may not be aggregated. Accordingly, each Sub-Fund's investments in transferable securities or money market instruments issued by, and deposits, derivatives instruments or efficient portfolio management techniques made with, any one issuer in accordance with Paragraphs 1, 3, 4 and 8 of the section entitled "Investments in any one Issuer" and Paragraph 2 and 5 of the chapter entitled "Use of Derivatives, Special Investment and Hedging Techniques" may under no circumstances exceed 35% of its net assets.

### **Global Risk Exposure**

7. Except as otherwise stated therein, each Sub-Fund's global risk exposure relating to financial derivative instruments must not exceed such Sub-Fund's net assets. The Management Company reserves the right to apply more restrictive limits with respect to each Fund's risk exposure.

The Fund's global risk exposure is calculated by using the standard commitment approach. "Standard Commitment" approach means that each financial derivative instrument position is converted into the market value of an equivalent position in the underlying asset of that derivative taking account of netting and hedging arrangements. The Fund's global risk exposure is also evaluated by taking into account foreseeable market movements and the time available to liquidate the positions

The Management Company must implement processes for accurate and independent assessment of the value of OTC Derivatives

### **Prohibited Transactions**

8. Each Sub-Fund is prohibited from engaging in uncovered short sales of financial derivative instruments.

### **Repurchase Agreements**

A repurchase agreement is an agreement involving the purchase and sale of securities with a clause reserving to the seller the right or the obligation to repurchase from the acquirer the securities sold at a price and term specified by the two parties in their contractual arrangement.

Where provided for in its investment policy, a Sub-Fund will be authorised to enter into repurchase agreement transactions and may act either as purchaser or seller in repurchase agreement transactions or a series of continuing repurchase transactions under the following restrictions:

- A Sub-Fund may buy or sell securities using a repurchase agreement transaction only if the counterparty in such transactions is a financial institution specializing in this type of transactions and is subject to prudential supervision rules considered by the CSSF as equivalent to those set forth by Community law;
- During the life of a repurchase agreement, a Sub-Fund cannot sell the securities that are the object of the contract, either before the right to repurchase these securities has been exercised by the counterparty, or before the repurchase term has expired except to the extent the Sub-Fund has other means of coverage; and
- A Sub-Fund's level of exposure to repurchase

agreement transactions must be such that it is able, at all times, to meet its redemption obligations.

- A Sub-Fund's counterparty risk arising from one or more securities lending transactions, sale with right of repurchase transaction or repurchase/reverse repurchase transaction vis-à-vis one same counterparty may not exceed:
  - 10% of the Sub-Fund's net assets if such counterparty is a credit institution having its registered office in the European Union or in a jurisdiction considered by the CSSF as having equivalent prudential supervision rules; or
  - 5% of the Sub-Fund's net assets in any other case.
- A Sub-Fund must ensure that is able at any time to terminate the repurchase transaction or reverse repurchase transaction or recall any securities or the full amount of cash subject to the repurchase transaction or reverse repurchase transaction, unless the transaction is entered into for a fixed term not exceeding seven days.

As of the date of the Prospectus, none of the Sub-Fund is using repurchase transactions or reverse repurchase transactions. Should a Sub-Fund intend to use repurchase transactions or reverse repurchase transactions in the future, the Prospectus will be updated beforehand.

### **Securities Financing Transactions and Total Return Swaps**

Where the use of securities financing transactions ("SFTs") and/or total return swaps ("TRS"), as defined under the Regulation 2015/2365 of the European Parliament and of the Council of 25 November 2015 on Transparency of Securities Financing Transactions and of Reuse ("SFTR"), is contemplated in a Sub-Fund's investment policy, this intended use should be reflected in the relevant Sub-Fund's description and any relevant details related to the SFTs/TRS used, in accordance with SFTR, as part of the investment policy of the relevant Sub-Fund shall be set out in the relevant Sub-Fund's description.

A general description of the types of SFTs/TRS that are mentioned in a Sub-Fund's investment policy can be found in the following sections: "Repurchase Agreements", "Securities Lending and Borrowing" and "Total Return Swaps" in the chapter entitled "Use of Derivatives, Special Investment and Hedging Techniques" of the Prospectus.

For any given Sub-Fund authorized to use SFTs/TRS, the use of any such SFTs/TRS is

primarily meant to implement efficient liquidity and collateral management and/or execute the investment strategy of the Sub-Fund. Where it is expressly indicated in a Sub-Fund's description that a Sub-Fund is authorised to use SFTs (such as, for example, securities lending and borrowing transactions, repurchase agreements and/or reverse repurchase agreements) or TRS, it is intended that equities, bonds and/or financial indices can be subject to SFTs/TRS. Unless otherwise specified in the relevant Sub-Fund's description above, TRS may be used in the following proportions:

The principal amount of the Sub-Fund's assets that can be subject to TRS may represent up to a maximum of 50% of the net asset value of the Sub-Fund. Under normal circumstances, it is generally expected that the principal amount of such transactions will remain between 0% and 20% of the net asset value. In certain circumstances this proportion may be higher.

As of the date of the Prospectus, none of the Sub-Funds is using SFTs. Should a Sub-Fund use SFTs, the Prospectus would be updated before such Sub-Fund starts using SFTs.

### **Securities Lending and Borrowing**

Securities lending, which can involve the lending of bonds as well as stock lending, involves the transfer of securities from one party to another. The borrower gives collateral in the form of shares, bonds or cash. The borrower is also contractually obliged to return equivalent securities at the end of an agreed period. Loans are typically executed under standardised agreements. Under such agreements, the lender typically charges a fee for the loan. The lender also typically reserves the right to recall the securities with a specified period of notice prior to the end of the loan period (typically based on the standard settlement period in the market).

Where provided for in its investment policy, a Sub-Fund will be authorised to enter into securities lending and borrowing transactions, provided that:

- The Sub-Fund will only lend or borrow securities either directly or through a standardized lending system organized by a recognized clearing institution or through a lending system organized by a financial institution that specializes in this type of transactions that is subject to prudential supervision rules which are considered by the CSSF as equivalent to those set forth by Community law, in exchange for a securities lending fee;
- The Sub-Fund must ensure that it is able at any time to terminate the transactions or recall the securities that have been lent out;

- As part of lending transactions, the Sub-Fund must receive a collateral, the value of which at any time must be at least equal to 90% of the total value of the securities lent. Such a guarantee shall not be required if the securities lending is made through Clearstream Banking or EUROCLEAR or through any other organization assuring to the lender a reimbursement of the value of the securities lent, by way of a guarantee or otherwise;
- The risk exposures to a counterparty arising from OTC Derivative transactions and efficient portfolio management techniques should be combined when calculating the counterparty risk limits set forth in Paragraph 2 of the section entitled "Investments in any one issuer" of the chapter entitled "Use of Derivatives, Special Investments and Hedging Techniques" and the section entitled "Collateral Management" of the same chapter.

Please refer to the section below entitled "Collateral Management" of the chapter entitled "Use of Derivatives, Special Investments and Hedging Techniques" for more information.

As of the date of the Prospectus, none of the Sub-Fund is using securities lending or securities borrowing transactions. Should a Sub-Fund intend to use securities lending or securities borrowing transactions in the future, the Prospectus will be updated beforehand.

### **Total Return Swaps**

A Total Return Swap (TRS) is a bilateral financial transaction where the counterparties swap the total return of a single asset (i.e. including both the income it generates and any capital gains) or basket of assets in exchange for periodic cash flows based on a set rate either fixed or variable. The assets are owned by the party receiving the set rate payment.

### **Fees and Costs arising from Efficient Portfolio Management Techniques and Total Return Swaps ("TRS")**

All revenues arising from efficient portfolio management techniques and TRS, net of direct and indirect operational costs, should be returned to the relevant Sub-Fund.

A Sub-Fund may pay fees and costs to agents or other intermediaries for services in respect of efficient portfolio management techniques and TRS. Such persons may or may not be affiliated with the Fund, the Management Company, an Investment Manager or the Depositary, as may be permitted by applicable securities and banking law. The Management Company will ensure that these



direct and indirect operational costs or fees comply with its own policy.

## Disclosure in the Financial Statements

The following information will be disclosed in the financial statements of the Fund:

- The exposure of the Fund obtained through efficient portfolio management techniques;
- The identity of the counterparty(ies) to these efficient portfolio management techniques;
- The type and amount of collateral received by the Fund to reduce counterparty exposure in accordance with the collateral policy;
- The identity of the entity(ies) to which direct and indirect operational costs and fees are paid and whether or not these are related parties to the Management Company or the Depositary of the Fund.

## Collateral Management

Risk exposure to a counterparty to OTC Derivative transactions and/or efficient portfolio management techniques will take into account collateral provided by the counterparty in the form of assets eligible as collateral under applicable laws and regulations. This collateral will allow the relevant Sub-Fund to reduce the counterparty risk at minimum to the counterparty risk limited provided by law.

Collateral received by the Fund on behalf of a Sub-Fund must comply with the conditions imposed by applicable laws and regulations, notably in terms of liquidity, valuation, issuer credit quality, correlation and diversification, as well as any guidance issued from time to time by the CSSF in this respect.

Unless as otherwise provided in the "Haircut Policy" below, permitted types of collateral comprise (i) liquid assets and/or (ii) sovereign OECD bonds, (iii) shares or units issued by specific money market UCIs, (iv) shares or units issued by UCITS investing in bonds issued or guaranteed by first class issuers offering an adequate liquidity, (v) shares or units issued by UCITS investing in shares listed or dealt on a stock exchange of a Member State of the OECD provided they are included in a main index, (vi) direct investment in bonds or shares with the characteristics mentioned in (iv) and (v).

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts depending, notably, of price volatility and the credit quality of the issuer of the collateral, as indicated in the following haircut policy

### Haircut Policy

The haircut policy of the Management Company, established in accordance with the CSSF Circular 14/592, shall apply as follows:

The haircut is a percentage discount deducted from the market value of a security that is being offered as collateral in an OTC transaction in order to calculate the purchase price. The formula for a haircut is:

$$\frac{\text{Market value of collateral} - \text{purchase price}}{\text{Market value of collateral}} \times 100$$

Collateral is intended to hedge default risk. Haircuts are usually seen as hedging the risk on that collateral. From this point of view, haircuts are an adjustment to the quoted market value of a collateral security to take account of the unexpected loss that the buyer (seller) in an OTC transaction may face due to the difficulty of selling (buying) that security in response to a default by the seller (buyer).

Assets that exhibit price volatility will be accepted as collateral by applying the following minimum haircuts:

Eligible collateral	Haircuts
Cash and government debt with a remaining maturity of less than 1 year,	At least 0%
Government debt with a remaining maturity of 1-5 years	At least 1%
Government debt with a remaining maturity of 5-10 years	At least 3%
Government debt with a remaining maturity of more than 10 years	At least 4%

Minimum haircuts shall be increased when warranted by market conditions and/or counterparty concerns.

Non-cash collateral received by the Fund on behalf of a Sub-Fund cannot be sold, reinvested or pledged. Cash collateral can be reinvested in liquid assets permissible under Luxembourg law or regulations, in particular ESMA Guidelines 2012/832. Any reinvestment of cash collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure, on an aggregate basis, of 20% of a Sub-Fund's net asset value to any single issuer. A Sub-Fund may incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made with cash collateral received. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the Sub-Fund to the counterparty at the conclusion of the transaction. The Sub-Fund would be required to cover the difference in value

between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Fund.

### **Selection of counterparties**

The selection of the counterparties to OTC financial derivative transactions and efficient portfolio management techniques (including SFTs and TRS) is made in accordance with the Management Company's best execution policy. More precisely, those counterparties are selected on the basis of the following criteria:

- The counterparties are highly-rated financial institutions i.e. they have a credit rating of at least BBB<sup>-</sup> (Standard & Poor's Ratings Services) or Baa3 (Moody's Investors Services, Inc.) or an equivalent rating by Fitch Ratings or other Nationally Recognized Statistical Rating Organization;
- The counterparties are specialized in this type of transactions;
- The counterparties are subject to prudential rules considered by the Luxembourg supervisory authority to be equivalent to those provided for under EU law.

## PRINCIPAL RISKS

Various factors may adversely affect the value of a Sub-Fund's assets. The following are the principal risks of investing in the Fund. All Sub-Funds are potentially exposed to the general risk referred below. However this Section does not purport to be exhaustive and other factors may affect the value of an investment.

### Risk of Capital Loss

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

### Equity Security Risks

Investing in equity securities involve risks associated with the unpredictable drops in a stock's value or periods of below-average performance in a given stock or in the stock market as a whole.

Shares' prices on equity markets may fluctuate namely pursuant to investor's expectations or anticipations, causing high potential volatility risk. Volatility on equity markets has historically been much greater than the volatility of fixed income markets. Should the price of shares fall within the Fund's portfolio, the net asset value will also fall.

#### **Capitalization Size of Companies – Small and Mid Capitalization Companies**

Investments in small and mid capitalization companies may involve greater risks than investments in larger companies, including fewer managerial and financial resources. Stocks of small and mid-size companies may be particularly sensitive to unexpected changes in interest rates, borrowing costs and earnings. As a result of trading less frequently, stocks of small and mid-size companies may also be subject to wider price fluctuations and may be less liquid.

#### **Large Capitalization Companies**

Sub-Funds investing in large capitalization companies may underperform certain other stock funds (those emphasizing small company stocks, for example) during periods when large company stocks are generally out of favour. Also larger, more established companies are generally not nimble and may be unable to respond quickly to competitive challenges, such as changes in technology and consumer tastes, which may cause the Fund's performance to suffer.

#### **Initial Public Offerings ("IPOs")**

Investors should note that certain Sub-Funds, notwithstanding their investment policy and/or restrictions, may not be eligible to participate in

equity IPOs due to the fact that the parent companies and/or affiliates of the Management Company, which themselves are precluded from participating in equity IPOs, or other investors subject to similar restrictions, have invested in such Sub-Funds. Such ineligibility for equity IPOs results in the loss of an investment opportunity, which may adversely affect the performance of the concerned Sub-Funds.

#### **Real Estate Securities and REITs**

Some Sub-Funds may invest in equity securities of companies linked to the real estate industry or publicly traded securities of closed-ended Real Estate Investment Trusts (REITs). REITs are companies that acquire and/or develop real property for long term investment purposes. They invest the majority of their assets directly in real property and derive their income primarily from rents.

The performance of a Sub-Fund investing in real estate securities will be dependent in part on the performance of the real estate market and the real estate industry in general.

REITs are usually subject to certain risks, including fluctuating property values, changes in interest rates, property taxes and mortgage-related risks. Furthermore, REITs are dependent on management skills, are not diversified, and are subject to heavy cash flow dependency, risks of borrower default and self-liquidation.

### Convertible Security Risks

Certain Sub-Funds may invest in convertible securities which are securities generally offering fixed interest or dividend yields which may be converted either at a stated price or stated rate for common or preferred stock. Although to a lesser extent than with fixed income securities generally, the market value of convertible securities tends to decline as interest rates rise. Because of the conversion feature, the market value of convertible securities also tends to vary with fluctuations in the market value of the underlying common or preferred stock.

### Contingent Convertible Bonds

Certain Sub-Funds may invest in contingent convertibles bonds ("CoCos") which are debt securities that may be converted into the issuer's equity or be partly or wholly written off if a predefined trigger event occurs. Trigger events may be outside of the issuer's control. Trigger events generally include the decrease in the issuer's capital ratio below a given threshold or the issue/issuer being subject to a regulatory action or decision by the responsible regulator in the issuer's



home market. In addition to credit and changing interest rates risks that are common to debt securities, the conversion trigger activation may cause the value of the investment to fall more significantly than other most conventional debt securities which do not expose investors to this risk.

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

- **Trigger level risk:** trigger levels differ and determine exposure to conversion risk depending on the distance of the capital ratio to the trigger level. It might be difficult for the Management Company or the Investment Manager(s) to anticipate the triggering events that would require the debt to convert into equity. Triggers are designed so that conversion occurs when the issuer faces a given crisis situation, as determined either by regulatory assessment or objective losses (e.g. measure of the issuer's core tier 1 prudential capital ratio).
- **Coupon cancellation:** Coupon payments on some CoCos are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time. The cancellation of coupon payments on CoCos does not amount to an event of default.
- **Conversion risk:** It might be difficult for the Management Company or the Investment Manager(s) to assess how the securities will behave upon conversion. In case of conversion into equity, the Management Company or the Investment Manager(s) might be forced to sell these new equity shares where the investment policy of the relevant Sub-Fund does not allow equity in its portfolio. Such a forced sale and the increased availability of these shares might have an effect on market liquidity in so far as there may not be sufficient demand for these shares.
- **Capital structure inversion risk:** Contrary to the classic capital hierarchy, investors in contingent convertible securities may suffer a loss of capital when equity holders do not, for example when the loss absorption mechanism of a high trigger/ write down of a contingent convertible security is activated.
- **Call extension risk:** CoCos are issued as perpetual instruments, callable at pre-determined levels/dates only with the approval of the competent authority. Perpetual CoCos may not be called on the pre-defined call date and the investor may not receive return of principal on the call date or indeed at any date.
- **Unknown risk:** the structure of the CoCos is innovative yet untested. When the underlying features of these instruments will be put to the test, it is uncertain how they will perform.
- **Yield/Valuation risk:** CoCos often offer attractive yield which may be viewed as a complexity premium. The value of contingent

convertible securities may need to be reduced due to a higher risk of overvaluation of such asset class on the relevant eligible markets.

## Debt Securities

Among the principal risks of investing in debt securities are the following:

### Changing Interest Rates

The value of any fixed income security held by a Sub-Fund will rise or fall inversely with changes in interest rates. Interest rates typically vary from one country to the next, and may change for a number of reasons. Those reasons include rapid expansions or contractions of a country's money supply, changes in demand by business and consumers to borrow money and actual or anticipated changes in the rate of inflation.

### Credit Risk

The issuer of any debt security acquired by any Sub-Fund may default on its financial obligations. Moreover, the price of any debt security acquired by a Sub-Fund normally reflects the perceived risk of default of the issuer of that security at the time the Sub-Fund acquired the security. If after acquisition the perceived risk of default increases, the value of the security held by the Sub-Fund is likely to fall.

There are many factors that could cause an issuer to default on its financial obligations, or an increase in the perceived risk of default of an issuer. Among those factors are the deteriorating financial condition of the issuer caused by changes in demand for the issuer's products or services, catastrophic litigation or the threat of catastrophic litigation and changes in laws, regulations and applicable tax regimes. The more concentrated the Sub-Fund is in a particular industry; the more likely it will be affected by factors that affect the financial condition of that industry as a whole.

### Below Investment Grade Securities

Certain Sub-Funds may invest in fixed income securities rated below investment grade. This type of securities is considered low credit quality. Below investment grade fixed income securities are securities rated less than BBB- (Standard & Poor's Ratings Services), Baa3 (Moody's Investors Service, Inc.).

Securities rated below investment grade may have greater price volatility and a greater risk of loss of principal and interest than investment grade debt securities.

### Variation in Inflation Rates

Certain Sub-Funds may invest in inflation-linked debt securities. The value of such securities fluctuates with the inflation rate of the corresponding geographical area.

**Additionally, there are special risks considerations associated with investing in certain types of debt securities:**

#### ***Mortgage-related Securities and Asset-backed Securities***

Certain Sub-Funds may invest in mortgage derivatives and structured notes, including mortgage-backed and asset-backed securities. Mortgage pass-through securities are securities representing interests in "pools" of mortgages in which payments of both interest and principal on the securities are usually made monthly, in effect "passing through" monthly payments made by the individual borrowers on the residential mortgage loans which underlie the securities. Early or late repayment of principal based on an expected repayment schedule on mortgage pass-through securities held by a Sub-Fund (due to early or late repayments of principal on the underlying mortgage loans) may result in a lower rate of return when the relevant Sub-Fund reinvests such principal. In addition, as with callable fixed-income securities generally, if the Fund purchased the securities at a premium, sustained earlier than expected repayment would reduce the value of the security relative to the premium paid. When interest rates rise or decline the value of a mortgage-related security generally will decline, or increase but not as much as other fixed-income, fixed-maturity securities which have no prepayment or call features.

Asset-backed transferable securities represent a participation in, or are secured by and payable from, a stream of payments generated by particular assets, most often a pool of assets similar to one another, such as motor vehicle receivables or credit card receivables, home equity loans, manufactured housing loans or bank loan obligations.

Interest rate risk is greater for mortgage-related and asset-backed securities than for many other types of debt securities because they are generally more sensitive to changes in interest rates. These types of securities are subject to prepayment – borrowers paying off mortgages or loans sooner than expected – when interest rates fall. As a result, when interest rates rise, the effective maturities of mortgage-related and asset-backed securities tend to lengthen, and the value of the securities decreases more significantly. The result is lower returns to the Sub-Fund because the Sub-Fund must reinvest assets previously invested in these types of securities in securities with lower interest rates.

#### ***Collateralized Loan Obligations***

A collateralized loan obligation ("CLO") is a security backed by a portfolio of loans. The loans underlying CLOs are typically rated below investment grade.

CLOs are split into tranches according to the amount of the credit risk of the share. More senior tranches are serviced first from proceeds. Less senior tranches bear losses first and have lower claim on proceeds and may be subject to deferral of payments; less senior tranches may themselves be rated below investment grade. The value of a CLO may be negatively influenced by defaults in the loans underlying the CLO, downgrades by ratings agencies, changes in or lack of visibility of market or fair value of loans underlying the CLO, early or accelerated repayment of loans, outflows and early redemption. The loans underlying the CLO typically pay a floating rate of interest which may change should the reference interest rates of the loans change. Market liquidity for CLOs may be limited, which may make it difficult for a Sub-Fund to sell a CLO investment.

#### ***Collateralized Mortgage Obligations***

A collateralized mortgage obligation ("CMO") is a security backed by a portfolio of mortgages or mortgage-backed securities held under an indenture. CMOs of different classes are generally retired in sequence as the underlying mortgage loans in the mortgage pool are repaid. In the event of sufficient early prepayments on such mortgages, the class or series of CMOs first to mature generally will be retired prior to its maturity. As with other mortgage-backed securities, if a particular class or series of CMOs held by a Sub-Fund is retired early, the Sub-Fund would lose any premium it paid when it acquired the investment, and the Sub-Fund may have to reinvest the proceeds at a lower interest rate than the retired CMO paid. Because of the early retirement feature, CMOs may be more volatile than many other fixed-income investments.

#### ***Equipment Trust Certificates***

An "equipment trust certificate" ("ETC") is an asset-backed security that is issued by a special-purpose trust established for the purpose of holding the equipment that constitutes the collateral. Although any entity may issue ETCs, to date, U.S. railroads and airlines are the principal issuers. ETCs tend to be less liquid than corporate bonds.

#### ***Trust Preferred Securities***

Trust preferred securities are preferred shares issued in certain structured finance transactions by a special purpose trust established for the purpose of issuing the shares and investing the proceeds in an equivalent amount of debt securities of a primary issuer. In addition to the risks associated with the debt securities of the primary issuer, trust preferred securities are subject to the risk that the trustee of the trust may be unwilling or unable to enforce the obligations of the primary issuer under the debt securities in the event of a default by the primary issuer.

#### ***Yankee Bonds***

Certain Sub-Funds may invest in U.S. dollar-denominated bonds issued in U.S. capital markets by foreign banks or corporations ("Yankee Dollar" bonds). Yankee Dollar bonds are generally subject to the same risks that apply to domestic bonds, notably credit risk, market risk and liquidity risk. Additionally, Yankee Dollar bonds are subject to certain sovereign risks, such as the possibility that a sovereign country might prevent capital, in the form of U.S. dollars, from flowing across its borders. Other risks include adverse political and economic developments; the extent and quality of government regulation of financial markets and institutions; the imposition of foreign withholding taxes; and the expropriation or nationalization of foreign issuers.

### **Zero Coupon Securities**

Certain Sub-Funds may invest in zero coupon securities issued by governmental and private issuers. Zero coupon securities are transferable debt securities that do not pay regular interest payments, and instead are sold at substantial discounts from their value at maturity. The value of these instruments tends to fluctuate more in response to changes in interest rates than the value of ordinary interest-paying transferable debt securities with similar maturities. The risk is greater when the period to maturity is longer. As the holder of certain zero coupon obligations, the relevant Sub-Funds may be required to accrue income with respect to these securities prior to the receipt of cash payment. They may be required to distribute income with respect to these securities and may have to dispose of such securities under disadvantageous circumstances in order to generate cash to satisfy these distribution requirements.

### **Rule 144A Securities**

A Sub-Fund may invest in Rule 144A securities, which are privately offered securities that can be resold only to certain qualified institutional buyers. As such securities are traded among a limited number of investors, certain Rule 144A securities may be illiquid and involve the risk that a Sub-Fund may not be able to dispose of these securities quickly or in adverse market conditions.

### **Convertible Securities**

Certain Sub-Funds may invest in convertible securities which are securities generally offering fixed interest or dividend yields which may be converted either at a stated price or stated rate for common or preferred stock. Although to a lesser extent than with fixed income securities generally, the market value of convertible securities tends to decline as interest rates rise. Because of the conversion feature, the market value of convertible securities also tends to vary with fluctuations in the market value of the underlying common or

preferred stock.

### **Risks associated with Financial Derivatives Instruments**

Each Sub-Fund may engage in derivatives transactions as part of its investment strategy for hedging and efficient portfolio management purpose. These strategies currently include the use of listed and OTC derivatives.

A derivative is a contract whose price is dependent upon or derived from one or more underlying assets. The most common derivatives instruments include, without limitation, futures contracts, forward contracts, options, warrants and swaps. The value of a derivative instrument is determined by fluctuations in its underlying asset. The most common underlying assets include stocks, bonds, currencies, interest rates and market indexes.

The use of derivatives for investment purposes may create greater risk for the Sub-Funds than using derivatives solely for hedging purposes.

These instruments are volatile and may be subject to various types of risks, including but not limited to market risk, liquidity risk, credit risk, counterparty risk, legal risk and operations risks.

Furthermore, there may be an imperfect correlation between derivatives instruments used as hedging vehicles and the investments or market sectors to be hedged. This might result in an imperfect hedge of these risks and a potential loss of capital.

Most derivatives are characterized by high leverage.

The principal risks associated with using derivatives in managing a portfolio are:

- a higher absolute market exposure for Sub-Funds that make an extensive use of derivatives;
- difficulty of determining whether and how the value of a derivative will correlate to market movements and other factors external to the derivative;
- difficulty of pricing a derivative, especially a derivative that is traded over-the-counter or for which there is a limited market.
- difficulty for a Sub-Fund, under certain market conditions, to acquire a derivative needed to achieve its objectives;
- difficulty for a Sub-Fund, under certain market conditions, to dispose of certain derivatives when those derivatives no longer serve their purposes.

### **Counterparty Risks**

Some Sub-Funds are exposed to counterparty risks associated to counterparties with which, or brokers, dealers and exchanges through which,

they deal, whether they engage in exchange-traded or OTC transactions, or repos and stock-lending operations. In the case of insolvency or failure of any such party, such a Sub-Fund might recover, even in respect of property specifically traceable to it, only a pro rata share of all property available for distribution to all of such party's creditors and/or customers. Such an amount may be less than the amounts owed to the Sub-Fund.

## Collateral Management

Counterparty risk arising from investments in OTC financial derivative instruments and efficient portfolio management techniques is generally mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. However, transactions may not be fully collateralised. Fees and returns due to the Sub-Fund may not be collateralised. If a counterparty defaults, the Sub-Fund may need to sell non-cash collateral received at prevailing market prices. In such a case the Sub-Fund could realise a loss due, inter alia, to inaccurate pricing or monitoring of the collateral, adverse market movements, deterioration in the credit rating of issuers of the collateral or illiquidity of the market on which the collateral is traded. Difficulties in selling collateral may delay or restrict the ability of the Sub-Fund to meet redemption requests.

A Sub-Fund may also incur a loss in reinvesting cash collateral received, where permitted. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Sub-Fund to the counterparty as required by the terms of the transaction. The Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Fund.

## Structured Instrument Risks

Certain Sub-Funds may invest in structured instruments, which are debt instruments linked to the performance of an asset, a foreign currency, an index of securities, an interest rate, or other financial indicators. The payment on a structured instrument may vary linked to changes of the value of the underlying assets.

Structured instruments may be used to indirectly increase a Sub-Fund's exposure to changes to the value of the underlying assets or to hedge the risks of other instruments that the Sub-Fund holds.

Investment in structured instruments involves certain risks, including the risk that the issuer may be unable or unwilling to satisfy its obligations, the instrument's underlying assets may move in a manner that may turn out to be disadvantageous

for the holder of the instrument. Structured instruments, which are often illiquid, are also subject to market risk, liquidity risk, interest rate risk and leverage risk.

## Securities Lending and Borrowing / Repurchase Agreements Transactions Risk

These transactions on unlisted contracts expose the Sub-Funds to counterparty risks. If the counterparty goes into liquidation or fails or defaults on the contract, the Sub-Fund might only recover, even in respect of property specifically traceable to it, a pro rata part of all property available for distribution to all of such counterparty's creditors and/or customers. In such case, the Sub-Funds could suffer a loss. These operations are volatile and may be subject to other various types of risks, including but not limited to market risk, liquidity risk, legal and operations risks.

## Exchange and Interest Rate Risks

Some Sub-Funds are invested in securities denominated in a number of different currencies other than their reference currency. Changes in foreign currency exchange rates will affect the value of some securities held by such Sub-Funds and bring additional volatility.

Fluctuations in interest rates of the currency or currencies in which the Units, the Fund's assets are denominated may affect the value of the Units.

## Risk linked to investments in Emerging Markets

Investments in emerging market securities involve certain risks, such as illiquidity and volatility, which may be greater than those generally associated with investing in developed markets. The extent of economic development, political stability, market depth, infrastructure, capitalization, and regulatory oversight in emerging market economies may be less than in more developed countries.

## Global Investing

International investing involves certain risks such as currency exchange rate fluctuations, political or regulatory developments, economic instability and lack of information transparency. Securities in one or more markets may also be subject to limited liquidity.

Certain Sub-Funds may concentrate their investments in companies of certain specific parts of the world, which involves more risk than investing more broadly. As a result, such Sub-Funds may underperform funds investing in other parts of the world when economies of their



investment area are experiencing difficulty or their stocks are otherwise out of favor. Moreover, economies of such Sub-Fund's investment area may be significantly affected by adverse political, economic or regulatory developments.

### **Value Investing**

Value investing seeks underpriced stocks, but there is no guarantee the price will rise and these stocks may continue to be undervalued by the market for long periods of time.

### **Changes in Laws and/or Tax Regime Risks**

The Fund as well as each Sub-Fund are subject to the laws and tax regime of Luxembourg.

Each Sub-Fund must comply with regulatory constraints or changes in the laws affecting it, the Units, or the Investment Restrictions, which might require a change in the investment policy and objectives followed by the Sub-Fund.

The securities held by each Sub-Fund and their issuers will be subject to the laws and tax regimes of various other countries. Changes to any of those laws and tax regimes, or any tax treaty between Luxembourg and another country, could adversely affect the value to any Sub-Fund of those securities.

### **Portfolio Concentration Risks**

Although the strategy of certain Sub-Funds of investing in a limited number of stocks has the potential to generate attractive returns over time, it may increase the volatility of such Sub-Funds' investment performance as compared to funds that invest in a larger number of stocks. If the stocks in which such Sub-Funds invest perform poorly, the Sub-Funds could incur greater losses than if it had invested in a larger number of stocks.

### **Liquidity Risks**

Certain Sub-Funds may acquire securities that are traded only among a limited number of investors. The limited number of investors for those securities may make it difficult for the Sub-Funds to dispose of those securities quickly or in adverse market conditions. Many derivatives and securities that are issued by entities that pose substantial credit risks typically are among those types of securities that the Sub-Funds may acquire that only are traded among limited numbers of investors.

Some markets, on which Sub-Funds may invest, may prove at time to be insufficiently liquid or illiquid. This affects the market price of such a Sub-Fund's securities and therefore its net asset value.

Furthermore, there is a risk that, because of a lack

of liquidity and efficiency in certain markets due to unusual market conditions or unusual high volumes of repurchase requests or other reason, Funds may experience some difficulties in purchasing or selling holdings of securities and, therefore, meeting subscriptions and redemptions in the time scale indicated in the Prospectus.

In such circumstances, the Management Company may, in accordance with the Fund's management regulations and in the investors' interest, suspend subscriptions and redemptions or extend the settlement timeframe.

### **Management Risk**

For any given Sub-Fund, there is a risk that investment techniques or strategies are unsuccessful and may incur losses for the Sub-Fund. Unitholders will have no right or power to participate in the day-to-day management or control of the business of the Sub-Funds, nor an opportunity to evaluate the specific investments made by the Sub-Funds or the terms of any of such investments.

Past performance is not a reliable indicator as to future performance. The nature of and risks associated with the Sub-Fund's future performance may differ materially from those investments and strategies historically undertaken by the portfolio manager. There can be no assurance that the portfolio manager will realise returns comparable to those achieved in the past or generally available on the market.

### **Risk on Cross Class Liabilities for all units**

Although there is an accounting attribution of assets and liabilities to the relevant Class, there is no legal segregation with respect to Classes of the same Sub-Fund. Therefore, if the liabilities of a Class exceed its assets, creditors of said Class of the Sub-Fund may seek to have recourse to the assets attributable to the other Classes of the same Sub-Fund.

As there is an accounting attribution of assets and liabilities without any legal segregation amongst Classes, a transaction relating to a Class could affect the other Classes of the same Fund.

### **ESG Driven Investments**

Certain Sub-Funds may seek to implement all or part of their investment policy in accordance with the (Sub-)Investment Manager's sustainable environmental, social, and governance criteria ("ESG criteria"). By using ESG criteria, the relevant Sub-Fund's objective would in particular be to better manage risk and generate sustainable, long-term returns.

ESG criteria may be generated using the (Sub-

)Investment Manager's proprietary models, third party models and data or a combination of both. Such models mainly take into account the ESG scoring as well as other metrics integrated in and applicable to the models of the issuing companies. The (Sub-)Investment Manager may also take into consideration case studies, environmental impact associated with the issuers and company visits. Assessment criteria may change over time or vary depending on the sector or industry in which the relevant issuer operates. Applying ESG criteria to the investment process may lead the (Sub-)Investment Manager to invest in or exclude securities for non-financial reasons, irrespective of market opportunities available if assessed while disregarding ESG criteria.

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

Besides, the ESG principles which may be applied by the (Sub-)Investment Manager when determining a company's eligibility to pre-defined ESG criteria are intentionally non-prescriptive, allowing for a diversity of solutions for ESG incorporation for each relevant Sub-Fund. However, the flexibility also affords potential confusion around the application of ESG criteria without a generally-agreed framework for constructing such investment strategy.

## Sustainability Risk

The Sub-Funds are subject to sustainability risks as defined in the Regulation 2019/2088 (article 2(22)) by 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.

Sustainability Risks are principally linked to climate-related events resulting from climate change (i.e. Physical Risks) or to the society's response to climate change (i.e. Transition Risks), which may result in unanticipated losses that could affect the Sub-Funds' investments and financial condition.

Social events (e.g. inequality, inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behaviour, etc.) or governance shortcomings (e.g. recurrent significant breach of international agreements, bribery issues, products quality and safety, selling practices, etc.) may also translate into Sustainability Risks.

Sustainability factors consist in environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters (the "**Sustainability Factors**"). For the Sub-Funds listed below, even though the portfolio investment process may integrate an ESG approach, the preliminary investment objective is not to mitigate sustainability risk.

- HARRIS ASSOCIATES KOKUSAI FUND
- NATIXIS THEMATIC FLEXIBLE ALLOCATION 2027 FUND

For the Sub-Fund listed below, the portfolio investment process includes binding and material ESG approach to focus on well rated securities from an ESG viewpoint in order to mitigate potential impact of Sustainability Risks on portfolio return.

- MIROVA EQUITY EUROPE CLIMATE OPPORTUNITY FUND
- LOOMIS SAYLES WORLD CREDIT ASSET FUND
- MIROVA OPPORTUNITÉS SOCIALES, SANTÉ & BIEN-ÊTRE

The Management Company's approach to responsible investment follows the principles set out in the Natixis Investment Managers Group's ESG policy further detailed on the website link: <https://www.im.natixis.com/intl/resources/sustainability-risk-integration-policy-lu>.

The Management Company acts as the management company of collective investment schemes the management of which it has delegated to the affiliated companies. As a result, the Management Company, although it sets out the key principles of its approach to ESG in this policy, relies on the responsible investment policies of the affiliated companies in charge of the investment management of the funds under delegation. Although sustainability risks are generally deemed relevant for these funds, the degree of sustainability risk integration within the investment-decision making process will vary depending on the affiliated companies and on the fund's ESG ambition as set in its investment strategy. The Management Company funds promoting ESG characteristics or having a sustainable investment objective will focus on well rated securities from an ESG viewpoint in order to mitigate the potential impacts of sustainability risks on the returns of the funds as detailed in the offering documents of these funds.

Given its delegated model, the Management Company has implemented an oversight programme over its affiliated investment managers which is known as the Delegated Oversight



Programme (the DOP). This programme is operated by a team specialising in third party oversight. Its objective is to identify, measure and mitigate risks arising from the delegation of portfolio management to the affiliated companies. The DOP programme makes use of a range of oversight tools covering, amongst other things, each affiliated companies' ESG framework.

Unless as otherwise provided in the relevant Sub-Fund investment policy, Principal adverse impacts of investment decisions on Sustainability Factors are not currently considered due to the lack of available and reliable data. The situation will however be reviewed going forward.

### **Investing in A-Shares through the Stock Connects**

A-Shares means securities of Mainland China (or alternatively the People's Republic of China – i.e. "PRC") incorporated companies, listed and traded in Renminbi ("RMB") on the Shanghai Stock Exchange or the Shenzhen Stock Exchange.

All the Sub-Funds (the "Stock Connect Fund(s)") which can invest in Mainland China will invest in A-Shares through the Stock Connects program and any other similarly regulated securities trading and clearing linked programs subject to any applicable regulatory limits.

#### **Stock Connects:**

The Shanghai-Hong Kong Stock Connect is a securities trading and clearing links programme developed by Hong Kong Exchanges and Clearing Limited ("HKEx"), Shanghai Stock Exchange ("SSE") and China Securities Depository and Clearing Corporation Limited ("ChinaClear"). The Shenzhen-Hong Kong Stock Connect is a securities trading and clearing links programme developed by HKEx, Shenzhen Stock Exchange ("SZSE") and ChinaClear.

The aim of the Stock Connects is to achieve mutual stock market access between the Mainland China and Hong Kong.

Hong Kong Securities Clearing Company Limited ("HKSCC"), a wholly-owned subsidiary of HKEx, and ChinaClear will be responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by their respective market participants and/or investors.

#### **Eligible Securities:**

##### **(i) Shanghai-Hong Kong Stock Connect program**

Under the Shanghai-Hong Kong Stock Connect program, Hong Kong and overseas investors (including the Stock Connect Fund(s)) are able to trade certain eligible A-Shares listed on the SSE (i.e. "SSE Securities"). These include all the

constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed A-Shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on the Stock Exchange of Hong Kong ("SEHK"), except the following:

- SSE-listed shares which are not traded in RMB; and
- SSE-listed shares which are under risk alert.

##### **(ii) Shenzhen-Hong Kong Stock Connect program**

Under the Shenzhen-Hong Kong Stock Connect program, Hong Kong and overseas investors (including the Stock Connect Fund(s)) are able to trade certain eligible A-Shares listed on the SZSE market (i.e. "SZSE Securities"). These include all the constituent stocks of the SZSE Component Index and SZSE Small/Mid Cap Innovation Index which has a market capitalisation of not less than RMB 6 billion, and all the SZSE-listed A-Shares which have corresponding H Shares listed on SEHK, except the following:

- SZSE-listed shares which are not traded in RMB; and
- SZSE-listed shares which are under risk alert or under delisting arrangement.

At the initial stage of the Shenzhen-Hong Kong Stock Connect program, investors eligible to trade shares that are listed on the ChiNext Board of the SZSE ("ChiNext Board") under Northbound trading will be limited to institutional professional investors (which the Stock Connect Fund(s) will qualify as such) as defined in the relevant Hong Kong rules and regulations.

It is expected that the list of eligible securities will be subject to review.

In accordance with the UCITS requirements, the Depositary shall provide for the safekeeping of the Fund(s)'s assets through its Global Custody Network. Such safekeeping is in accordance with the conditions set down by the CSSF which provides that there must be legal separation of non-cash assets held under custody and that the Depositary through its delegates must maintain appropriate internal control systems to ensure that records clearly identify the nature and amount of assets under custody, the ownership of each asset and where documents of title to each asset are located.

In addition to paying trading fees, levies and stamp duties in connection with trading in A-Shares, the Stock Connect Fund(s) may be subject to fees and levies arising from trading and settlement of A-Shares via the Stock Connects as imposed by the relevant Mainland Chinese authorities from time to time.

#### **Specific Risks applicable to investing via the Stock Connect:**

Quota Limitations: Trading through Stock Connect is subject to a daily quota ("Daily Quota").

The Daily Quota limits the maximum net buy value of cross-boundary trades under each of the Stock Connects each day. The Northbound Daily Quota is currently set at RMB52 billion for each of the Stock Connects. In particular, the Stock Connect is subject to a daily quota which does not belong to the Stock Connect Fund(s) and can only be utilised on a first-come-first-serve basis. Once the Daily Quota is exceeded, buy orders will be rejected (although investors will be permitted to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the Stock Connect Fund(s)' ability to invest in A-Shares through the Stock Connects on a timely basis and the relevant Stock Connect Fund may not be able to effectively pursue its investment strategy.

Local Market Rules, Foreign Shareholding Restrictions and Disclosure Obligations: Under Stock Connects, China A-Shares listed companies and trading of China A-Shares are subject to market rules and disclosure requirements of the China A-Shares market. The Investment Manager of the Stock Connect Fund(s) should also take note of the foreign shareholding restrictions and disclosure obligations applicable to China A-Shares. The Investment Manager of the Stock Connect Fund(s) will be subject to restrictions on trading (including restriction on retention of proceeds) in China A-Shares as a result of its interest in the China A-Shares. The Investment Manager of the Stock Connect Fund(s) is solely responsible for compliance with all notifications, reports and relevant requirements in connection with its interests in China A-Shares.

Under the current Mainland China rules, once an investor holds or controls up to 5% of the issued shares of a company listed on either the SSE or the SZSE, the investor is required to report in writing to the China Securities Regulatory Commission ("CSRC") and the relevant exchange, and inform the relevant A-Share listed company within three working days and during which he cannot trade the shares of that company.

Additionally, the investor is also required to make disclosure (in the same manner as mentioned above) within three working days every time when a change in his shareholding reaches 5%. From the day the disclosure obligation arises to two working days after the disclosure is made, the investor may not trade the shares of that A-Share listed company. If a change in shareholding of the investor is less than 5% but results in the shares held or controlled by him falling below 5% of the relevant A-Share listed company, the investor is required to disclose the information within three working days.

Overseas investors holding China A-Shares via Stock Connects are subject to the following restrictions (i) shares held by a single foreign investor (such as the Fund) investing in an A-Share

listed company must not exceed 10% of the total issued shares of such listed company; and (ii) total A-Shares held by all foreign investors (i.e. Hong Kong and overseas investors) who make investments in an A-Share listed company must not exceed 30% of the total issued A-Shares of such listed company. When the aggregate foreign shareholding of an individual A-Share listed company reaches 26%, SSE or SZSE, as the case may be, will publish a notice on its website. If the aggregate foreign shareholding exceeds the 30% restriction, the foreign investors would be required to sell the shares on the excessive shareholding according to a last-in-first-out basis within five trading days. If the 30% threshold is exceeded due to trading via Stock Connects, SEHK will identify the exchange participant(s) concerned and require a force-sell. As a result, it is possible that the Stock Connect Funds may be required to unwind their positions where they have invested in an A-Share listed company in respect of which the aggregate foreign shareholding threshold has been exceeded.

Trading in securities through the Stock Connects may be subject to clearing and settlement risk. If the PRC clearing house defaults on its obligation to deliver securities / make payment, the Stock Connect Fund may suffer delays in recovering its losses or may not be able to fully recover its losses.

#### *Beneficial Ownership:*

HKSCC is the nominee holder of the SSE Securities and SZSE Securities acquired by Hong Kong and overseas investors through the Stock Connects. The current Stock Connects rules expressly provide for the concept of a "nominee holder" and there are other laws and regulations in the PRC which recognise the concepts of "beneficial owner" and "nominee holder". Although there is reasonable ground to believe that an investor may be able to take legal action in its own name to enforce its rights in the courts in the PRC if it can provide evidence to show that it is the beneficial owner of SSE Securities/ SZSE Securities and that it has a direct interest in the matter, investors should note that some of the relevant PRC rules related to nominee holder are only departmental regulations and are generally untested in the PRC. There is no assurance that a Stock Connect Fund will not encounter difficulties or delays in terms of enforcing its rights in relation to China A-Shares acquired through the Stock Connects. However, regardless of whether a beneficial owner of SSE Securities under Shanghai-Hong Kong Stock Connect or SZSE Securities under Shenzhen-Hong Kong Stock Connect is legally entitled to bring legal action directly in the PRC courts against a listed company to enforce its rights, HKSCC is prepared to provide assistance to the beneficial owners of SSE Securities and SZSE Securities where necessary.

*Corporate Actions and Shareholders' Meetings:* Notwithstanding the fact that HKSCC does not claim proprietary interests in the SSE Securities and SZSE Securities held in its omnibus stock account in ChinaClear, ChinaClear as the share registrar for SSE and SZSE listed companies will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such SSE Securities and SZSE Securities.

HKSCC will monitor the corporate actions affecting SSE Securities and SZSE Securities and keep the relevant brokers or custodians participating in CCASS (the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK) ("CCASS participants") informed of all such corporate actions that require CCASS participants to take steps in order to participate in them.

SSE-/SZSE-listed companies usually announce their annual general meeting / extraordinary general meeting information about two to three weeks before the meeting date. A poll is called on all resolutions for all votes. HKSCC will advise CCASS participants of all general meeting details such as meeting date, time, venue and the number of resolutions.

**Regulatory Risk:** The current regulations relating to Stock Connects are untested and there is no certainty as to how they will be applied. In addition, the current rules and regulations on Stock Connects are subject to change which may have potential retrospective effects and there can be no assurance that the Stock Connects will not be abolished. New regulations may be issued from time to time by the regulators / stock exchanges in the PRC and Hong Kong in connection with operations, legal enforcement and cross-border trades under the Stock Connects. The Stock Connect Funds as well as share prices may be adversely affected as a result of such changes.

**Recalling of Eligible Security:** When/if a security is recalled from the scope of eligible security for trading via the Stock Connect, the security can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the relevant Funds, for example, if the Investment Manager wishes to purchase a security which is recalled from the scope of eligible security.

**No Protection by Investor Compensation Fund:** Investment in SSE Securities and SZSE Securities via the Stock Connects is conducted through brokers, and is subject to the risks of default by such brokers' in their obligations. Investments of the Funds are not covered by the Hong Kong's Investor Compensation Fund, which has been established to pay compensation to investors of any nationality who suffer pecuniary losses as a

result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Since default matters in respect of SSE Securities and SZSE Securities via Stock Connects do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund. Therefore the Stock Connect Fund(s) is exposed to the risks of default of the broker(s) it engages in its trading in A-Shares through the Stock Connects.

**Differences in Trading Day:** The Stock Connect will only operate on days when both the PRC and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the PRC market but the Stock Connect Fund(s) cannot carry out any A-Shares trading via the Stock Connects. The Stock Connect Funds may be subject to risks of price fluctuations in A-Shares during the time when any of the Stock Connects is not trading as a result.

**Operational Risks:** The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are permitted to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

The securities regimes and legal systems of the two markets differ significantly and market participants may need to address issues arising from the differences on an on-going basis. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in both markets through the program could be disrupted. The Stock Connect Fund's ability to access the A-Share market via the Stock Connects (and hence to pursue its investment strategy) may be adversely affected.

**Currency Risks:** If the Stock Connect Fund(s) holds a class of shares denominated in a local currency other than RMB, the Stock Connect Fund(s) will be exposed to currency risk if the Stock Connect Fund(s) invest in a RMB product due to the need for the conversion of the local currency into RMB. During the conversion, the Stock Connect Fund(s) will also incur currency conversion costs. Even if the price of the RMB asset remains the same when the Stock Connect Fund(s) purchases it and when such Fund redeems / sells it, the Stock Connect Fund will still incur a loss when it converts the



redemption / sale proceeds into local currency if RMB has depreciated.

**Clearing and Settlement Risk:** The HKSCC and ChinaClear have established the clearing links and each has become a participant of the other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

As the national central counterparty of the PRC's securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of ChinaClear default are considered to be remote. In the remote event of a ChinaClear default, HKSCC's liabilities in the SSE Securities and SZSE Securities under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC should in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or the liquidation of ChinaClear. In this event, the Stock Connect Funds may not fully recover their losses or their SSE Securities and SZSE Securities and the process of recovery could also be delayed.

**Suspension Risk:** Each of the SEHK, SSE and SZSE reserves the right to suspend trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the trading through the Stock Connects is effected, the relevant Stock Connect Fund's ability to invest in A-Shares or access the PRC market through the Stock Connects will be adversely affected. In such event, the relevant Stock Connect Fund's ability to achieve its investment objective could be negatively affected.

**Brokerage Risk:** The execution and settlement of transactions or the transfer of any funds or securities may be conducted by brokers (the "Brokers"). The Stock Connect Funds may incur losses due to the acts or omissions of the Brokers in the execution or settlement of any transaction or in the transfer of any monies or securities. In addition, there is a risk that certain Stock Connect Funds may suffer losses, whether direct or consequential, from the default or bankruptcy of the Broker or disqualification of the same from acting as a broker. This may adversely affect certain

Stock Connect Funds in the execution or settlement of any transaction or in the transfer of any funds or securities. Reasonably competitive commission rates and prices of securities will generally be sought to execute the relevant transactions in PRC markets. It is possible that, in circumstances where only a single Broker is appointed, certain Stock Connect Funds may not necessarily pay the lowest commission or spread available, but the transaction execution will be consistent with best execution standards and in the best interest of the investors. Notwithstanding the foregoing, the Investment Manager of the Stock Connect Fund will seek to obtain the best net results for the relevant Stock Connect Fund, taking into account such factors as prevailing market conditions, price (including the applicable brokerage commission or dealer spread), size of order, difficulties of execution and operational facilities of the Broker involved and the Broker's ability to position efficiently the relevant block of securities.

**Restrictions on Selling Imposed by Front-end Monitoring:** PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise the SSE or SZSE will reject the sell order concerned. SEHK will carry out pre-trade checking on A-Share sell orders of its participants (i.e. the Brokers) to ensure there is no over-selling.

Depending on the operational model/set-up used by the relevant Stock Connect Fund to access the Stock Connects, if a Stock Connect Fund intends to sell certain A-Shares it holds, it may have to transfer those A-Shares to the respective accounts of its Broker(s) before the market opens on the day of selling ("trading day"). In that case, if it fails to meet this deadline, it will not be able to sell those shares on the trading day. Should that constraint apply to the Stock Connect Fund, it may not be able to dispose of its holdings of A-Shares in a timely manner. Alternatively, the relevant Stock Connect Fund may request a custodian to open a special segregated account ("SPSA") in CCASS to maintain its holdings in A-Shares under the enhanced pre-trade checking model. Each SPSA will be assigned a unique "Investor ID" by CCASS for the purpose of facilitating the Stock Connects system to verify the holdings of an investor such as the relevant Stock Connect Fund. Provided that there is sufficient holding in the SPSA when a Broker inputs the relevant Stock Connect Fund's sell order, the relevant Stock Connect Fund will be able to dispose of its holdings of A-Shares (as opposed to the practice of transferring A-Shares to the Broker's account under the pre-trade checking model for non-SPSA accounts). Opening of the SPSA accounts for the relevant Stock Connect Fund will enable it to dispose of its holdings of A-Shares in a timely manner. The Stock Connect Funds currently use the integrated model.

**Taxation Risk:** The taxation position of foreign investors holding Chinese shares has historically been uncertain. Pursuant to the “Notice about the tax policies related to the Shanghai-Hong Kong Stock Connect” (Caishui [2014] No. 81) (“Notice No. 81”) promulgated by the Ministry of Finance of the PRC, the State Administration of Taxation of the PRC and the CSRC on 14 November 2014, a Stock Connect Fund is subject to a withholding income tax at 10% on dividends received from A-Shares traded via Shanghai-Hong Kong Stock Connect, unless reduced under a double tax treaty with China upon application to and obtaining approval from the competent China authority.

Pursuant to the “Notice on the tax policies related to the Pilot program of Shenzhen-Hong Kong Stock Connect” (Caishui [2016] No. 127) (“Notice No. 127”) promulgated by the Ministry of Finance of the PRC, the State Administration of Taxation of the PRC and the CSRC on 5 November 2016, a Stock Connect Fund is subject to a withholding tax at 10% on dividends received from A-Shares traded via Shenzhen-Hong Kong Stock Connect.

Pursuant to Notice No. 81 and Notice No. 127, PRC corporate income tax will be temporarily exempted on capital gains derived by Hong Kong and overseas investors (including the relevant Stock Connect Funds) on the trading of A-Shares through the Stock Connects. It is noted that Notice No. 81 and Notice No. 127 both state that the corporate income tax exemption effective from 17 November 2014 and from 5 December 2016 respectively is temporary. The duration of the period of temporary exemption has not been stated and is subject to termination by the PRC tax authorities with or without notice and, in the worst case, retrospectively.

There are risks and uncertainties associated with the current PRC tax laws, regulations and practice in respect of capital gains realised via Stock Connect in the PRC (which may have retrospective effect). Any increased tax liabilities on the fund may adversely affect the relevant Fund’s value.

**Risks associated with the Small and Medium Enterprise board and/or ChiNext market**

The Stock Connect Funds may invest in the Small and Medium Enterprise (“SME”) board and/or the ChiNext market of the SZSE via the Shenzhen-Hong Kong Stock Connect program. Investments in the SME board and/or ChiNext market may result in significant losses for the Stock Connect Fund and its investors. The following additional risks apply:

**Higher fluctuation on stock prices:** Listed companies on the SME board and/or ChiNext market are usually of emerging nature with smaller operating scale. Hence, they are subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the main board of the SZSE.

**Over-valuation risk:** Stocks listed on the SME board and/or ChiNext may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

**Differences in regulations:** The rules and regulations regarding companies listed on ChiNext market are less stringent in terms of profitability and share capital than those in the main board and SME board.

**Delisting risk:** It may be more common and faster for companies listed on the SME board and/or ChiNext to delist. This may have an adverse impact on the Fund if the companies that it invests in are delisted.

### **Investing in fixed income securities through the Bond Connect**

Certain Sub-Funds (the “Bond Connect Sub-Fund(s)”) may have the ability to invest in the fixed income securities (the “Bond Connect Securities”) listed on the China Interbank Bond Market (“CIBM”) through the mutual bond market access between Mainland China and Hong Kong (the “Bond Connect”) established by the China Foreign Exchange Trade System & National Interbank Funding Centre (“CFETS”), China Central Depository & Clearing Co., Ltd, Shanghai Clearing House, and HKEX and Central Moneymarkets Unit (“CMU”).

Under the prevailing regulations in Mainland China, the Bond Connect Sub-Funds may invest in the bonds circulated in the CIBM through the northbound trading of Bond Connect (the “Northbound Trading Link”). There will be no investment quota for Northbound Trading Link.

Under the Northbound Trading Link, eligible foreign investors are required to appoint the CFETS or other institutions recognised by the People’s Bank of China (“PBOC”) as registration agents to apply for registration with the PBOC.

Pursuant to the prevailing regulations in Mainland China, an offshore custody agent recognised by the Hong Kong Monetary Authority (“HKMA”) (currently, the CMU) shall open omnibus nominee accounts with the onshore custody agent recognised by the PBOC (currently, the China Central Depository & Clearing Co., Ltd and Shanghai Clearing House). All the Bond Connect Securities traded by the Bond Connect Sub-Funds will be registered in the name of the CMU, which will hold such Securities as a nominee owner.

### **Specific Risks applicable to investing via the Bond Connect:**

**Regulatory risks:** Bond Connect rules and regulations are relatively new. The application and interpretation of such investment regulations are

therefore relatively untested and there is no certainty as to how they will be applied as the PRC authorities and regulators have been given wide discretion in such investment regulations and there is no precedent or certainty as to how such discretion may be exercised now or in the future. The relevant rules and regulations on investment in the CIBM via the Bond Connect are subject to change which may have potential retrospective effect. In addition, there can be no assurance that the Bond Connect rules and regulations will not be abolished in the future. The Bond Connect Sub-Funds may be adversely affected as a result of any such changes or abolition.

*Custody risks:* Under the prevailing regulations in Mainland China, the Bond Connect Sub-Funds who wish to invest in Bond Connect Securities may do so via an offshore custody agent approved by the HKMA ("Offshore Custody Agent"), that will be responsible for the account opening with the relevant onshore custody agent approved by PBOC. Since the account opening for investment in the CIBM market via Bond Connect has to be carried out via an offshore custody agent the relevant Sub-Fund is subject to the risks of default or errors on the part of the Offshore Custody Agent.

*Trading risks:* Trading in securities through the Bond Connect may be subject to clearing and settlement risk. If the PRC clearing house defaults on its obligation to deliver securities / make payment, the Bond Connect Sub-Funds may suffer delays in recovering its losses or may not be able to fully recover its losses.

*Taxation Risk:* There is no specific written guidance by the Mainland China tax authorities on the treatment of income tax and other tax categories payable in respect of trading in CIBM by eligible foreign institutional investors via Bond Connect. Hence, there is uncertainty as to the investment portfolio's tax liabilities for trading in CIBM via Bond Connect.

*Beneficial owner of Bond Connect Securities:* The Sub-Funds' Bond Connect Securities will be held following settlement by custodians as clearing participants in accounts in the CMU maintained by the HKMA as central securities depository in Hong Kong and nominee holder. The CMU maintains omnibus securities account at both the China Central Depository & Clearing Co. Ltd (CCDC) and Shanghai Clearing House (SCH). The depositories are responsible for safekeeping different assets. The CCDC holds government bonds, corporate bonds, financial debentures and bond funds while the SCH holds short term commercial paper, private placement notes, and asset backed securities/notes. Because CMU is only a nominee holder and not the beneficial owner of Bond Connect Securities, in the unlikely event that CMU becomes subject to winding up proceedings in

Hong Kong, investors should note that Bond Connect Securities will not be regarded as part of the general assets of CMU available for distribution to creditors even under Mainland China law. CMU will not be obliged to take any legal action or enter into court proceedings to enforce any rights on behalf of investors in Bond Connect Securities in Mainland China. The Bond Connect Sub-Funds holding the Bond Connect Securities through CMU are the beneficial owners of the assets and are therefore eligible to exercise their rights through the nominee only. However, physical deposit and withdrawal of Bond Connect Securities are not available under the Northbound trading for the Bond Connect Sub-Fund. In addition, the Bond Connect Sub-Fund's title or interests in, and entitlements to Bond Connect Securities (whether legal, equitable or otherwise) will be subject to applicable requirements, including laws relating to any disclosure of interest requirement or foreign bondholding restriction, if any. It is uncertain whether the Chinese courts would recognise the ownership interest of the investors to allow them standing to take legal action against the Chinese entities in case disputes arise.

*Not protected by Investor Compensation Fund:* Investors should note that any trading under Bond Connect will not be covered by Hong Kong's Investor Compensation Fund or the China Securities Investor Protection Fund and thus investors will not benefit from compensation under such schemes. Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Examples of default are insolvency, in bankruptcy or winding up, breach of trust, defalcation, fraud, or misfeasance.

*Difference in trading day and trading hours:* Due to differences in public holiday between Hong Kong and Mainland China or other reasons such as bad weather conditions, there may be a difference in trading days and trading hours on the CIBM and the Hong Kong Stock Exchange. Bond Connect will thus only operate on days when both markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the Mainland China market but it is not possible to carry out any Bond Connect Securities trading in Hong Kong.

*The recalling of eligible bond and trading restrictions:* A bond may be recalled from the scope of eligible bonds for trading via Bond Connect for various reasons, and in such event the bond can only be sold but is restricted from being bought. This may affect the investment portfolio or strategies of the Investment Manager.



*Trading costs:* In addition to paying trading fees and other expenses in connection with Bond Connect Securities trading, the Bond Connect Sub-Funds carrying out Northbound trading via Bond Connect should also take note of any new portfolio fees, dividend tax and tax concerned with income arising from transfers which would be determined by the relevant authorities.

*Currency risks:* Investments by the Bond Connect Sub-Funds in the Bond Connect Securities will be traded and settled in RMB. If the Bond Connect Sub-Fund holds a class of shares denominated in a local currency other than RMB, the Bond Connect Sub-Fund will be exposed to currency risk if the Bond Connect Sub-Fund invests in a RMB product due to the need for the conversion of the local currency into RMB. During the conversion, the Bond Connect Sub-Fund will also incur currency conversion costs. Even if the price of the RMB asset remains the same when the Bond Connect Sub-Fund purchases/redeems/sells it, the Bond Connect Sub-Fund will still incur a loss when it converts the redemption / sale proceeds into local currency if RMB has depreciated.

*Risk of Mainland Financial Infrastructure Institutions default:* A failure or delay by the Mainland financial infrastructure institutions in the performance of its obligations may result in a failure of settlement, or the loss, of Bond Connect Securities and/or monies in connection with them and the Fund and its investors may suffer losses as a result. Neither the Fund nor the Investment Manager shall be responsible or liable for any such losses. Investors should note that dealing a Sub-Fund's investments through Bond Connect may also entail operational risks due notably to the relatively new applicable rules and regulation or the clearing and trade-settlement obligations. Investors should also note that Bond Connect is ruled mostly by the laws and regulations applicable in Mainland China.

### ***Risks associated with the CIBM***

Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the CIBM may result in prices of certain debt securities traded on such market fluctuating significantly. The Bond Connect Sub-Funds are therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and the Bond Connect Sub-Funds may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.

A Bond Connect Sub-Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with the Bond Connect Sub-Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

For investments via the Bond Connect, the relevant filings, registration with the PBOC and account opening have to be carried out via an offshore custody agent, registration agent or other third parties (as the case may be). As such, the Bond Connect Sub-Fund is subject to the risks of default or errors on the part of such third parties.

Investing in the CIBM via the Bond Connect is also subject to regulatory risks. The relevant rules and regulations on these regimes are subject to change which may have potential retrospective effect. In the event that the relevant Mainland Chinese authorities suspend account opening or trading on the CIBM, the Bond Connect Sub-Fund's ability to invest in the CIBM will be adversely affected. In such event, the Bond Connect Sub-Fund's ability to achieve its investment objective will be negatively affected.

There is no specific written guidance by the Mainland China tax authorities on the treatment of income tax and other tax categories payable in respect of trading in the CIBM by eligible foreign institutional investors via the Bond Connect. Hence it is uncertain as to a Bond Connect Sub-Fund's tax liabilities for trading in the CIBM via the Bond Connect.

## CHARGES AND EXPENSES

The Management Company pays out of the assets of the Fund all expenses payable by the Fund. Those expenses include fees payable to:

- The Management Company (the “Management Company Fees”);
- The various service providers (the “Service Fees”).

The aggregate of Management Company fees, Investment Managers fees and Distributors fees are known as “**Management Fees**”.

The Management Company pays the Sub-Funds’ Investment Managers and distributors out of the fees it receives from the Fund.

Expenses specific to a Sub-Fund or Unit class will be borne by that Sub-Fund or Unit class. Charges that are not specifically attributable to a particular Sub-Fund or Unit class may be allocated among the relevant Sub-Funds or Unit classes based on their respective net assets or any other reasonable basis given the nature of the charges.

Charges relating to the creation of a new Sub-Fund or Unit class shall be written off over a period not exceeding 5 years against the assets of that Sub-Fund or class.

The “**All-in-Fee**” is defined as the aggregate of the Management fees and the Service Fees (as defined below) paid annually by each Sub-Fund. The All-in-Fee does not include taxes (such as “Taxe d’abonnement”) or expenses relating to the creation or liquidation of any Sub-Fund or Unit Class.

The All-in Fee shall not exceed such percentage of each Sub-Fund’s average daily net asset value as indicated in each Sub-Fund’s description under the section headed “Characteristics”.

The “**Service Fees**” cover various services and regulatory requirements (but not limited to) such as:

- the Depositary fees;
- the Administrative Agent fees;
- the Paying Agent, Domiciliary and Corporate Agent and Registrar and Transfer Agent fees;
- the costs of preparing, printing, publishing and translating as are necessary, and distributing offering information or documents concerning the Fund or/and the Sub-Funds (such as Key Information Documents, Key Investor Information Documents, this Prospectus), notices to

unitholders, annual and semi-annual reports and such other reports or documents as may be desirable or required under laws or regulations applicable to the Fund or the offering of units;

- the costs associated with the required collection, reporting and publication of data about the Sub-Fund, its investments and unitholders;
- the independent auditors’ fees;
- the fees payable to external counsels and other professionals;
- the legal fees;
- the management company expenses including AML/CFT, KYC, Risk and oversight of delegated activities;
- the registration expenses including regulators fees, translation, legal fees, dissemination, regulatory and tax reporting;
- the costs relating to ESG certification and service fees;
- the cost of preparing and filing all documents pertaining to the Fund;
- the distribution and sales support costs;
- the costs relating to financial index licensing;
- other administrative expenses, such as insurance coverage; and
- all charges and expenses similar to the ones listed above.

Advertising and promotion expenses in connection with the Fund will not be paid by its assets.

Unless otherwise provided for in any Sub-Fund’s description, if the yearly actual expenses paid by any Sub-Fund exceed the applicable All-in-Fee, the Management Company will support the difference and the corresponding income will be recorded under Management Company fees in the Fund’s audited annual report. If the yearly actual expenses paid by each Sub-Fund are lower than the applicable All-in-Fee, the Management Company will keep the difference and the corresponding charge will be recorded under Management Company fees in the Fund’s audited annual report.

The All-in-Fee by Unit class, as indicated in each Sub-Fund’s description, does not necessarily include all the expenses linked to the Sub-Fund’s investments (such as brokerage fees, taxe d’abonnement owed to the Luxembourg tax authority, expenses linked to withholding tax reclaims) that are paid by such Sub-Fund.

# SUBSCRIPTION, TRANSFER, CONVERSION AND REDEMPTION OF UNITS

## Unit Characteristics

### *Restrictions on Unitholding*

**Investments in some of the classes of the Sub-Funds are suitable for and limited exclusively to institutional investors as that term is defined from time to time by the Luxembourg supervisory authority.**

### *Investor Qualifications*

Individuals may invest only in class R Units, regardless of whether they are investing directly or through a financial advisor acting as nominee.

Generally, an institutional investor is one or more of the following:

- Credit institution or other financial professional investing in its own name or on behalf of an institutional investor or any other investor, provided that the credit institution or financial professional has a discretionary management relationship with the investor and that relationship does not grant the investor any right to a direct claim against the Fund;
- Insurance or reinsurance company that is making the investment in connection with a unit-linked insurance policy, provided that the insurance or reinsurance company is the sole subscriber in the Fund and no policy grants the holder any right to receive, upon termination of the insurance policy, Units of the Fund;
- Pension fund or pension plan, provided that the beneficiaries of such pension fund or pension plan are not entitled to any direct claim against the Fund;
- Undertaking for collective investment;
- Governmental authority investing in its own name;
- Holding company or similar entity in which either (a) all unitholders of the entity are institutional investors, or (b) the entity either (i) conducts non-financial activities and holds significant financial interests or (ii) is a “family” holding company or similar entity through which a family or a branch of a family holds significant financial interests;
- Financial or industrial group; or
- Foundation holding significant financial investments and having an existence independent from the beneficiaries or recipients of their income or assets.

No investor may be a U.S. person, as that term is defined under Regulation S under the 1933 Act, except in compliance with applicable U.S. regulations and only with the prior consent of the Management Company. In addition, the Management Company may impose additional qualifications on some or all potential investors intending to purchase Units.

### *Available Classes*

Each Sub-Fund may issue Units in several separate classes of Units, as set out in each Sub-Fund’s description under “Characteristics”. Such classes of Units may differ in particular with respect to the type of investors for which they are designed, their distribution policy, the charges and expenses linked thereto, their minimum investment and minimum holding amounts and their currencies of quotation as follows:

- Class R Units are designed for retail investors (as defined under meaning of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments as recasted by Directive 2014/65/EU and Regulation (EU) N° 600/2014 of the European Parliament and the Council (“MIFID”)). The availability of these share classes may depend on the investor’s location and/or the type of service that the investor may receive from Intermediaries;
- Class I Units, Class S Units, Class X Units and Class X1 Units are only available for institutional investors; and
- Class Q Units are reserved for (a) BPCE and any company of the Natixis group, each in its role as funding shareholder of the relevant Sub-Fund and upon prior approval of the Management Company, (b) the Investment Manager of the Sub-Fund concerned subscribing into Units on behalf of its clients solely as part of its individual or collective discretionary portfolio management activities, (c) clients of the Investment Manager of the Sub-Fund concerned where the subscription is operated by the Investment Manager pursuant to a discretionary investment management agreement concluded with such clients and (d) unaffiliated entities upon certain conditions determined by, and with the prior approval of, the Management Company.
- Except as otherwise provided for in any Sub-Fund’s description, Class H Units are classes quoted in a currency other than the Sub-Fund’s reference currency and hedged against the currency exchange risk between their currency

of quotation and the Sub-Fund's reference currency. You should note that class H Units will be hedged against the reference currency of the relevant Sub-Fund regardless of whether such reference currency is declining or increasing in value relative to the currency of quotation of such class and so while holding hedged Units may substantially protect the Unitholders against declines in the Sub-Fund's reference currency relative to the currency of quotation of such class, holding such Units may also substantially limit the Unitholders from benefiting if there is an increase in the value of the Sub-Fund's reference currency relative to the currency of quotation of such class. Unitholders of class H Units should be aware that although the intention is to be close to a full hedge, a perfect hedge is not possible and the portfolio can be over or under hedged during certain periods. This hedging will typically be undertaken by means of forward contracts but may also include currency options or futures or OTC derivatives.

Unit classes may be quoted in different currencies and have different minimum investment and minimum holding amounts, as set out in each Sub-Fund's description under "Characteristics".

Units have no par value.

#### ***Dividend Policy***

Accumulating Units identified by the inclusion of an A in their name capitalize all their earnings. The Board of Directors of the Management Company may, however, propose the payment of a dividend at any time to Unitholders of any Sub-Fund holding class A Units as well as for Unitholders of any Sub-Fund holding class D Units.

Distributing Units identified by the inclusion of a D in their name make periodic distributions, as decided by the Board of Directors of the Management Company. In addition, the Board of Directors of the Management Company may declare interim dividends.

For class DIV Units, the dividend will be calculated at the discretion of the Management Company on the basis of the expected gross income over a given period (such period to be determined by the Management Company from time to time) with a view to providing consistent periodic distribution for class DIV Units and quarterly distribution for class DIVQ Units to Unitholders. As part of the calculation methodology for class DIV Units, the Management Company may adopt criteria to calculate the dividend amount that is not based solely on the Sub-Fund's accounting records by referencing, for example, a forward looking index dividend yield. The specific calculation criteria applicable to class DIV Units within each Sub-Fund having class DIV Units is set out in the relevant

Sub-Fund's description under the section entitled "Characteristics".

**Unitholders should note that where the dividend rate is in excess of the income of the relevant Class DIV Unit(s), dividends may be paid out of the capital attributed to the corresponding Unit Class which may result in erosion of the capital invested by a Unitholder.**

Investors should be aware that the Net Asset Value of the distributing Unit Classes may fluctuate more than other Unit Classes due to the timing of the distribution of income and, as the case may be, capital.

Specific Tax considerations for Class DIV Unit: Unitholders should note that dividends distributed out of capital may be taxable as income, or capital gain depending on the local tax legislation, and should seek their own professional tax advice in this regard.

#### ***Equalisation***

The Fund may operate income equalisation arrangements with a view to help ensuring that the level of income accrued within a Sub-Fund and attributable to each distributing Unit is not significantly affected by the issue, conversion or redemption of those Units during the relevant period.

Where an investor subscribes for Units during the relevant period, the price at which those Units were subscribed may be deemed to include an amount of income accrued since the date of the last distribution.

Where an investor redeems Units during the relevant period, the redemption price in relation to distributing Units may be deemed to include an amount of income accrued since the date of the last distribution.

The level of income and, as the case may be, capital distributed for classes DIV Units will be made available upon request from the Fund's registered office.

In any event, no distribution may be made if, as a result, the net asset value of the Fund would fall below €1,250,000.

The Unitholders may decide to declare dividends in the form of cash or additional Units. Cash dividends may be re-invested in additional Units of the same class of the relevant Sub-Fund at the net asset value per Unit determined on the day of re-investment at no charge to the Unitholder. If a Unitholder does not express its choice between re-investment of dividends and payment of cash dividends, the dividends will be automatically re-invested in additional Units.

Dividends not claimed within five years of distribution will be forfeited and revert to the



relevant Sub-Fund. No interest shall be paid on dividends that have not been claimed.

### **Unitholder Rights**

All Unitholders have the same rights, regardless of the class of Units held. There are no preferential or pre-emptive rights or voting rights attributable to the Units.

### **Reference Currency**

The reference currency of the Fund is the U.S. dollars. The reference currency of each Sub-Fund is as set out in each Sub-Fund's description under "Characteristics".

### **Listed Classes**

The classes of Units that are listed on the Luxembourg Stock Exchange, if any, are indicated in each Sub-Fund's description under "Characteristics". The Management Company may, in its sole discretion, elect to list any other Unit classes on any stock exchange.

### **Fractional Units**

The Fund issues whole and fractional Units up to one-thousandth of a Unit.

### **Unit Registration and Certificates**

All Units are issued in registered uncertificated form. All Unitholders shall receive from the Fund's Registrar and Transfer Agent a written confirmation of his or her unitholding.

## **Subscription of Units**

### **Restrictions on subscriptions**

The Management Company reserves the right to reject or postpone any application to subscribe to Units for any reason, including if the Management Company considers that the applying investor is engaging in excessive trading or market-timing.

The Management Company may also impose restrictions on the subscription of Units of any Sub-Fund by any person or entity in connection with an unauthorized structured, guaranteed or similar instrument, note or scheme if the Management Company believes that such subscription may have adverse consequences for the Sub-Fund's Unitholders or the fulfillment of the Sub-Fund's investment objectives and policies.

### **Minimum Investment and Holding Amount**

No investor may subscribe initially for less than the amount of the minimum initial investment indicated in each Sub-Fund's description under "Characteristics". There is no minimum investment amount for subsequent investments in the Units. No investor may transfer or redeem Units of any class if the transfer or redemption would cause the investor's holding amount of that class of Units to fall below the minimum holding amount indicated in each Sub-Fund's description under

"Characteristics".

The Management Company may, provided that equal treatment of Unitholders be complied with, grant Unitholders an exception from the conditions of minimum initial investment and minimum holding of Units and accept a subscription of an amount which is below the minimum initial investment threshold or a redemption request that would cause the investor's holding in any Sub-Fund to fall below the minimum holding amount. Such an exception may only be made in favor of investors who understand and are able to bear the risk linked to an investment in the relevant Sub-Fund, on exceptional basis and in specific cases.

### **Sales Charge**

The subscription of the Units may be subject to a sales charge of a percentage of the net asset value of the Units being purchased as indicated in each Sub-Fund's description under "Characteristics". The actual amount of the sales charge is determined by the financial institution through which the subscription of Units is made. Such financial institution shall retain such sales charge in remuneration for its intermediary activity.

Before subscribing for Units, please ask the financial institution whether a sales charge will apply to your subscription and the actual amount of that sales charge.

### **Additional Levies**

The Management Company reserves the right to levy an additional fee of up to 2% of the net asset value of the Units subscribed if the Management Company considers that the applying investor is engaging in excessive trading or market-timing practices. Any such fee shall be levied for the benefit of the Sub-Fund concerned.

### **Procedure of Subscription**

Subscription Application: Any investor intending to subscribe initially must complete an application form. Application forms are available from:

Brown Brothers Harriman (Luxembourg) S.C.A.  
80, route d'Esch, L-1470 Luxembourg

All completed applications must be sent to the Registrar and Transfer Agent:  
Brown Brothers Harriman (Luxembourg) S.C.A.  
80, route d'Esch, L-1470 Luxembourg

The Registrar and Transfer Agent may request an investor to provide additional information to substantiate any representation made by the investor in its application. Any application that has not been completed to the satisfaction of the Registrar and Transfer Agent will be rejected. In addition, the Management Company, in its sole discretion, may at any time suspend or close the sale of any class of Units or all Units.

The Registrar and Transfer Agent will send to each investor a written confirmation of each subscription of Units within three (3) business days in Luxembourg from the relevant subscription date.

Initial Offering: Units may be subscribed for during the initial offer period at the initial offer price as indicated in the relevant Sub-Fund's appendix and will be issued for the first time on the first full bank business day following the close of the relevant initial offer period. Each initial offer period may be extended or shortened at the discretion of the Directors of the Management Company.

Subscription Date and Purchase Price: Unless as otherwise provided in the relevant Sub-Fund's description under "Characteristics", Units may be subscribed on any day that the relevant Sub-Fund calculates its net asset value. Except during the initial offering period, the subscription date of any subscription application shall be as indicated in the relevant Sub-Fund's description under "Characteristics". The purchase price of any subscription application will be the sum of the net asset value of such Units on the subscription date plus any applicable sales charge.

Investors should note that they will not know the actual purchase price of their Units until their order has been fulfilled.

Payment: Each investor must pay the purchase price in full as described in the relevant Sub-Fund's description under "Characteristics".

The purchase price must be paid by electronic bank transfer, as specified in the application form.

An investor should pay the purchase price in the currency of the Unit class purchased. If an investor pays the purchase price in another currency, the Management Company or its agent will make reasonable efforts to convert the payment into the currency of the Unit class purchased. All costs associated with the conversion of that payment will be borne by the investor, whether such conversion actually is made. Neither the Management Company nor any of its agents shall be liable to an investor if the Management Company or agent is unable to convert any payment into the currency of the Unit class purchased by the investor.

The Management Company will immediately redeem the Units corresponding to any subscription not paid for in full in accordance with these provisions, and the investor submitting the subscription will be liable to the Management Company and each of its agents for any loss incurred by them, individually and collectively, as a result of such forced redemption. Investors are encouraged to make payment as soon as they receive written confirmation of their unitholding

from the Registrar and Transfer Agent.

### ***Subscriptions in Kind***

The Management Company may accept payment for subscriptions in the form of securities and other instruments, provided that such securities or instruments comply with the investment objectives and policies of the relevant Sub-Fund and in compliance with the requirements of the management regulations.

## **Transfer of Units**

A Unitholder may transfer Units to one or more other persons, provided that all Units have been paid in full and each transferee meets the investors' qualifications (as described under the paragraph entitled "Investor Qualification" of the Prospectus) applicable to the Fund and to the relevant Unit class.

**However, the transfer of units of any investor solicited in Japan to any investor other than a Qualified Institutional Investor is prohibited.**

In order to transfer Units, the Unitholder must notify the Registrar and Transfer Agent of the proposed date and the number of Units transferred. The Registrar and Transfer Agent only will recognize a transfer with a future date. In addition, each transferee must complete an application form.

The Unitholder should send its notice and each completed application form to:  
Brown Brothers Harriman (Luxembourg) S.C.A.  
80, route d'Esch, L-1470 Luxembourg

The Registrar and Transfer Agent may request a transferee to provide additional information to substantiate any representation made by the transferee in its application. Any application that has not been completed to the satisfaction of the Registrar and Transfer Agent will be rejected.

The Registrar and Transfer Agent will not effectuate any transfer until it is satisfied with the form of notice and has accepted each transferee's subscription application.

Any Unitholder transferring Units and each transferee, jointly and severally, agree to hold the Sub-Fund and each of its agents harmless with respect to any loss suffered by one or more of them in connection with a transfer.

## **Transfer of Units on the Luxembourg Stock Exchange**

By derogation, Units listed on the Luxembourg Stock Exchange are transferable in accordance with the Luxembourg Stock Exchange Rules and Regulations.



The transfer of listed Units to one or more persons may be effected by sending all relevant details to the Registrar and Transfer Agent at the following address:

Brown Brothers Harriman (Luxembourg) S.C.A.  
80, route d'Esch, L-1470 Luxembourg

When the transfer is effected in favor of persons who are not already unitholders of the Fund, the transferee must complete an application form.

The Registrar and Transfer Agent or the Management Company may request a transferee to provide additional information to substantiate any representation made by the transferee in its application.

In the event that a Unitholder is not entitled to be invested in the Units he holds pursuant to the investor qualifications defined in this Prospectus, the Management Company may decide to redeem or convert, without any prior notice or charge, the Units held by the Unitholder.

### **Redemption of Units**

A Unitholder may request the Management Company to redeem some or all of the Units it holds in the Fund. If, as a result of any redemption request, the number of Units held by any Unitholder in a class would fall below the minimum holding amount for that class of Units, the Management Company may treat such request as a request to redeem the full balance of such Unitholder's holding of Units in the relevant class. Units may be redeemed as described in the relevant Sub-Fund's description under "Characteristics".

If the aggregate value of the redemption requests received by the Registrar and Transfer Agent on any day corresponds to more than 5% of the net assets of a Sub-Fund, the Management Company may defer part or all of such redemption requests and may also defer the payment of redemption proceeds for such period as it considers to be in the best interest of the Sub-Fund and its Unitholders.

If the aggregate value of the redemption requests received by the Registrar and Transfer Agent on any day would cause the net assets of the Fund to fall (i) below the legal minimum (i.e. €1,250,000) and/or (ii) below two thirds of this same legal minimum, the Management Company reserves the right to reject or postpone part or all of such redemption requests and may also defer the payment of redemption proceeds for such period as it considers to be in the best interest of the Sub-Fund and its Unitholders.

Any deferred redemption or deferred payment of redemption proceeds shall be treated as a priority to any further redemption request received on any following redemption date.

### **Redemption Notice**

Any Unitholder intending to redeem Units must notify the Registrar and Transfer Agent:

Brown Brothers Harriman (Luxembourg) S.C.A.  
80, route d'Esch, L-1470 Luxembourg

That notice must include the following:

- The Unitholder's name, as it appears on the Unitholder's account, his or her address and account number;
- The number of Units of each class or amount of each Unit class to be redeemed; and
- Bank details of beneficiary of redemption proceeds.

The Registrar and Transfer Agent may request the Unitholder to provide additional information to substantiate any representation made by the investor in the notice. The Registrar and Transfer Agent will reject any redemption notice that has not been completed to its satisfaction. Payments will only be made to the Unitholder of record; no third-party payments will be made.

Any Unitholder redeeming Units agrees to hold the Fund and each of its agents harmless with respect to any loss suffered by one or more of them in connection with that redemption.

### **Redemption Charge**

The redemption of Units may be subject to a redemption charge of a percentage of the net asset value of the Units being redeemed as indicated in each Sub-Fund's description under "Characteristics". Any redemption charge shall be levied for the benefit of the Sub-Fund concerned.

The Management Company reserve the right to levy an additional fee of up to 2% of the net asset value of the Units redeemed if the Management Company considers that the redeeming investor is engaging in excessive trading or market-timing practices. Any such fee shall be levied for the benefit of the Sub-Fund concerned.

In the event that a redemption request causes a Sub-Fund to incur exceptional costs, the Management Company may levy an additional fee reflecting such exceptional costs for the benefit of the Sub-Fund concerned.

### **Redemption Date and Redemption Price**

The redemption date of any redemption notice shall be as indicated in the relevant Sub-Fund's description under "Characteristics". The redemption price of any redemption notice will be the net asset value of such Units on the redemption date less any applicable redemption charge.

Investors should note that they will not know the redemption price of their Units until their redemption request has been fulfilled.

### **Payment**

Unless otherwise provided for in this Prospectus, the Fund will pay the Unitholder redemption proceeds within five (5) business days from the relevant redemption date.

The redemption proceeds will be paid by electronic bank transfer in accordance with the instructions in the redemption notice as accepted. All costs associated with that payment will be borne by the Fund or its agent. The Transfer Agent will not pay redemption proceeds to a third party.

Redemption proceeds will be paid in the currency of the Unit class redeemed. If an investor requests payment in another currency, the Fund or its agent will make reasonable efforts to convert the payment into the currency requested. All costs associated with the conversion of that payment will be borne by the Unitholder, whether such conversion actually is made. Neither the Fund nor any agent of the Fund shall be liable to an investor if the Fund or agent is unable to convert and pay into a currency other than the currency of the Unit class redeemed by the Unitholder.

Neither the Fund nor any of its agents shall pay any interest on redemption proceeds or make any adjustment on account of any delay in making payment to the Unitholder.

### **Forced Redemption**

The Management Company may immediately redeem some or all of a Unitholder's Units if the Management Company believes that:

- The Unitholder has made any misrepresentation as to his or her qualifications to be a Unitholder;
- The Unitholder's continued presence as a Unitholder would cause the Fund or a Fund to be or become subject to any reporting obligation, tax withholding obligation, or withholding tax that the Fund would not otherwise be subject to but for the Unitholder's (or similarly situated Unitholders') presence as a Unitholder;
- The Unitholder's continued presence as a Unitholder of the Fund would cause irreparable harm to the Fund or the other Unitholders of the Fund;
- The Unitholder, by trading Units frequently, is causing the relevant Sub-Fund to incur higher portfolio turnover and thus, causing adverse effects on the Sub-Fund's performance, higher

transactions costs and/or greater tax liabilities;

- The Unitholder's continued presence as a Unitholder would result in a breach of any law or regulation, whether Luxembourg or foreign, by the Fund;
- The Unitholder no longer meets the "Investor Qualifications" legal requirements as described in the prospectus;
- The continued presence of a person or entity as a Unitholder in any Sub-Fund in connection with an unauthorized structured, guaranteed or similar instrument, note or scheme, as a Unitholder would have adverse consequences for the other Unitholders of the Sub-Fund or for the fulfilment of the Sub-Fund's investment objectives and policies; or
- The Unitholder is or has engaged in marketing and/or sales activities using the name of, or references to the Fund, a Sub-Fund, the Management Company and/or the Investment Manager or any of its strategies or portfolio managers without the prior written consent of the Management Company.

### **Withholding of Proceeds in Certain Cases of Forced Redemption**

In the event that a Unitholder's presence in the Fund causes the Fund to initiate a Forced Redemption, as described above, and the Unitholder's presence in the Fund has caused the Fund to suffer any withholding tax which would not have been incurred but for the Unitholder's ownership of Units, the Management Company shall have the right to redeem that Unitholder's Units and withhold as much of the redemption proceeds as is required to satisfy the costs that arose solely due to the Unitholder's presence in the Fund. To the extent that there is more than one Unitholder similarly situated, proceeds will be withheld based on the relative value of redeemed Units.

### **Redemptions In Kind**

Any Unitholder redeeming Units representing at least 20% of any Unit class may redeem those Units in kind, provided that the Management Company determines that the redemption would not be detrimental to the remaining Unitholders and the redemption is effected in accordance with the management regulations and in compliance with the conditions set forth by Luxembourg law.

### **Conversion of Units**

Any Unitholder may request the conversion of Units from one Sub-Fund or class of Units to another Sub-Fund or class of Units. Such conversion request will be treated as a redemption of Units and a simultaneous purchase of Units. Consequently,

any Unitholder requesting such conversion must comply with the procedures of redemption and subscription (as above mentioned) as well as all other requirements, notably relating to investor qualifications and minimum investment and holding thresholds, applicable to each of the Sub-Funds or classes of Units concerned.

Without prejudice to specific Unit Class restrictions provided for in this section, if Units are converted for Units of another Sub-Fund or class of Units having the same or a lower sales charge, no additional charge shall be levied. If Units are converted for Units of another Sub-Fund or class of Units having a higher sales charge, the conversion may be subject to a conversion fee equal to the difference in percentage of the sales charges of the relevant Units. The actual amount of the conversion fee is determined by the financial institution through which the conversion of Units is made. Such financial institution shall retain such conversion fee in remuneration for its intermediary activity.

The conversion of Units between Sub-Funds or classes of Units having different valuation frequencies may only be effected on a common subscription date. If Units are converted for Units

of another Sub-Fund or class of Units having a notice period for subscriptions different from the notice period required for redemptions for the original Units, the longest notice period will be taken into account for the conversion.

In the event that a Unitholder is no longer entitled to be invested in the Units he holds pursuant to the investor qualifications defined in this Prospectus, the Management Company may decide to either redeem (pursuant to the Forced Redemption procedure as set out in the Prospectus), without any prior notice or charge, the Units held by the Unitholder or, as far as possible, convert, without any prior notice or charge, the Units held by the Unitholder into such other Units which total expense ratio is the lowest among the Unit classes for which the Unitholder complies with the investor qualifications.

Investors should note that a conversion between Units held in different Sub-Funds may give rise to an immediate taxable event. As tax laws differ widely from country to country, investors should consult their tax advisers as to the tax implications of such a conversion in their individual circumstances.

## DETERMINATION OF THE NET ASSET VALUE

### Time of Calculation

The Fund calculates the net asset value of each Unit class as of 17h00 Luxembourg time on any Valuation Day; i.e. on each full bank business day.

If since the time of determination of the net asset value, there has been a material change in the quotations in the markets on which a substantial portion of the investments of any Sub-Fund are dealt in or quoted, the Management Company may, in order to safeguard the interests of the Unitholders and the Sub-Fund, cancel the first valuation and carry out a second valuation for all applications made on the relevant subscription/redemption date.

### Method of Calculation

The net asset value of each Unit of any one class on any day that any Sub-Fund calculates its net asset value is determined by dividing the value of the portion of assets attributable to that class less the portion of liabilities attributable to that class, by the total number of Units of that class outstanding on such day.

The net asset value of each Unit shall be determined in the currency of quotation of the relevant class of Units.

For any class in which the only difference from the class denominated in the Sub-Fund's reference currency is the currency of quotation, the net asset value per Unit of that class shall be the net asset value per Unit of the class denominated in the reference currency multiplied by the exchange rate between the reference currency and the currency of quotation at the latest rates quoted by any major banks. If such quotations are not available, the rate of exchange will be determined in good faith by or under procedures established by the Management Company.

The net asset value of each class Unit may be rounded to the nearest 1/100 of the currency of the relevant class in accordance with the Fund's management regulations.

The value of each Sub-Fund's assets shall be determined as follows:

- *Securities and money market instruments traded on exchanges and Regulated Markets* - last closing price unless the Management Company believes that an occurrence after the publication of the last market price and before any Sub-Fund next calculates its net asset value will materially affect the security's value. In that case, the security may be fair valued at the time the Administrative Agent determines its

net asset value by or pursuant to procedures approved by the Management Company.

- *Securities and money market instruments not traded on a Regulated Market (other than short-term money market instruments)* - based upon valuations provided by pricing vendors, which valuations are determined based on normal, institutional-size trading of such securities using market information, transactions for comparable securities and various relationships between securities which are generally recognized by institutional traders.
- *Short-term money market instruments (remaining maturity of less than 90 calendar days or less)* - amortized cost (which approximates market value under normal conditions).
- *Futures, options and forwards* - unrealized gain or loss on the contract using current settlement price. When a settlement price is not used, future and forward contracts will be valued at their fair value as determined pursuant to procedures approved by the Management Company, as used on a consistent basis.
- *Units or units of open-ended funds* - last published net asset value.
- *Cash on hand or deposit, bills, demand notes, accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received* - full amount, unless in any case such amount is unlikely to be paid or received in full, in which case the value thereof is arrived at after the Management Company or its delegates makes such discount as it may consider appropriate in such case to reflect the true value thereof.
- *All other assets* - fair market value as determined pursuant to procedures approved by the Management Company.

The Management Company also may value securities at fair value or estimate their value pursuant to procedures approved by the Management Company in other circumstances such as when extraordinary events occur after the publication of the last market price but prior to the time the Sub-Funds' net asset value is calculated.

The effect of fair value pricing as described above for securities traded on exchanges and all other securities and instruments is that securities and other instruments may not be priced on the basis of quotations from the primary market in which they are traded. Instead, they may be priced by another method that the Management Company believes is more likely to result in a price that reflects fair value. When fair valuing the Fund's securities, the Management Company may, among other things, use modeling tools or other processes that take into account factors such as securities market

activity and/or significant events that occur after the publication of the last market price and before the time a Sub-Fund's net asset value is calculated.

Trading in most of the portfolio securities of the Sub-Funds takes place in various markets outside Luxembourg on days and at times other than when banks in Luxembourg are open for regular business. Therefore, the calculation of the Sub-Funds' net asset values does not take place at the same time as the prices of many of their portfolio securities are determined, and the value of the Sub-Funds' portfolio may change on days when the Management Company is not open for business and its Units may not be purchased or redeemed.

The value of any asset or liability not expressed in a Sub-Fund's reference currency will be converted into such currency at the latest rates quoted by any major banks. If such quotations are not available, the rate of exchange will be determined in good faith by or under procedures established by the Administrative Agent.

#### **Temporary Suspension of Calculation of the Net Asset Value**

The Management Company may temporarily suspend the determination of the net asset value per Unit within any Sub-Fund, and accordingly the issue and redemption of Units of any class within any Sub-Fund:

- During any period when any of the principal stock exchanges or other markets on which any substantial portion of the investments of the Fund attributable to such class of Units from time to time is quoted or dealt in is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended, provided that such restriction or suspension affects the valuation of the investments of the Fund attributable to a class quoted thereon;
- During the existence of any state of affairs which in the opinion of the Management Company constitutes an emergency as a result of which

disposals or valuation of assets owned by the Fund attributable to such class of Units would be impracticable;

- During any breakdown in the means of communication or computation normally used in determining the price or value of any of the investments of such class of Units or the current price or value on any stock exchange or other market in respect of the assets attributable to such class of Units;
- When for any other reason the prices of any investments owned by the Fund attributable to any class of Units cannot promptly or accurately be ascertained;
- During any period when the Management Company is unable to repatriate funds for the purpose of making payments on the redemption of the Units of such class or during which any transfer of funds involved in the realization or acquisition of investments or payments due on redemption of Units cannot in the opinion of the Management Company be effected at normal rates of exchange.

#### **Performance**

The Sub-Funds present their performance as average annual total return, reflecting all charges and expenses accrued by the relevant Sub-Fund and including the reinvestment of any distribution paid by the Sub-Fund. Performance does not include any adjustment for sales charges and does not consider any tax consequence to Unitholders as a result of investing in Units.

The Sub-Funds, when presenting their average annual total return, also may present their performance using other means of calculation, and may compare their performance to various benchmarks and indices.

Past performance is not necessarily indicative of future results.



## TAXATION

### Taxation of the Fund

The Fund is not subject to any Luxembourg tax on interest or dividends received by any Sub-Fund, any realized or unrealized capital appreciation of Sub-Fund assets or any distribution paid by any Sub-Fund to Unitholders.

The Fund is not subject to any Luxembourg stamp tax or other duty payable on the issuance of Units.

The Fund is as a rule liable in Luxembourg to a subscription tax (*taxe d'abonnement*) of 0.05% per annum of its net asset value, such tax being payable quarterly on the basis of the value of the aggregate net assets of each Sub-Fund of the Fund at the end of the relevant calendar quarter.

This rate is however of 0.01% per annum for:

- individual Sub-Funds of UCIs the exclusive object of which is the collective investment in money market instruments and the placing of deposits with credit institutions;
- individual Sub-Funds of UCIs the exclusive object of which is the collective investment in deposits with credit institutions;
- individual Sub-Funds of UCIs with multiple Sub-Funds as well as for individual classes of securities issued within a UCI or within a Sub-Fund of a UCI with multiple Sub-Funds, provided that the securities of such Sub-Funds or classes are reserved to one or more institutional investors.

Are further exempt from the subscription tax:

- the value of the assets represented by units held in other UCIs, provided such units have already been subject to the subscription tax;
- UCIs as well as individual sub-fund of umbrella funds (i) whose securities are reserved for institutional investors, (ii) whose exclusive object is the collective investment in money market instruments and the placing of deposits with credit institutions, (iii) whose weighted residual portfolio maturity must not exceed ninety (90) days, and (iv) which have obtained the highest possible rating from a recognized rating agency;

- UCIs whose securities are reserved for (i) institutions for occupational retirement provision, or similar investment vehicles, created on the initiative of a same group for the benefit of its employees and (ii) undertakings of this same group investing funds they hold, to provide retirement benefits to their employees;
- for UCIs as well as individual Sub-Fund of umbrella funds whose investment policy provides for an investment of at least 50% of their assets into microfinance institutions or which have been granted the LuxFLAG label; and
- for UCIs as well as individual sub-fund of umbrella funds (i) whose securities are listed or traded on at least one stock exchange or another regulated market operating regularly, recognised and open to the public and (ii) whose exclusive object is to replicate the performance of one or more indices.

The Fund, together with its Management Company, is considered in Luxembourg as a single taxable person for VAT purposes without any input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the Fund/the Management Company could potentially trigger VAT and require the VAT registration of the Fund/the Management Company in Luxembourg so as to enable it to self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased from abroad.

No VAT liability arises in principle in Luxembourg in respect of any payments by the Fund to its Unitholders, to the extent that such payments are linked to their subscription to the Fund's Units and do not constitute the consideration received for taxable services supplied.

### Withholding Taxes

Under current Luxembourg law, there is no withholding tax on any distribution, redemption or payment made by the Fund to its Unitholders. There is also no withholding tax on the distribution of liquidation proceeds to the Unitholders.

### Taxation of the Unitholders

Unitholders currently are not subject to any Luxembourg income tax on capital gain or income, any Luxembourg wealth tax or any further Luxembourg domestic withholding tax other than Unitholders domiciled, resident or having a



permanent establishment or a permanent representative in Luxembourg.

Unitholders who are not residents of Luxembourg may be taxed in accordance with the laws of other jurisdictions. This Prospectus does not make any statement regarding those jurisdictions. Before investing in the Fund, investors should discuss with their tax advisers the implications of acquiring, holding, transferring and redeeming Units.

### U.S. Foreign Account Tax Compliance Act

The Fund may be subject to the Hiring Incentives to Restore Employment Act (the “**Hire Act**”) which was signed into U.S. law in March 2010. It includes provisions generally known as the Foreign Account Tax Compliance Act (“**FATCA**”). The objective of this law is to combat U.S. tax evasion by certain U.S. Persons and obtain from non-US financial institutions (“**Foreign Financial Institutions**” or “**FFIs**”) information relating to such persons that have direct or indirect accounts or investments in those FFIs.

In case FFIs choose not to comply with FATCA, FATCA will impose a withholding tax of 30% (a “**FATCA Deduction**”) on certain U.S. source income and gross sales proceeds. To be relieved from these withholding taxes, the FFIs need to comply with the provisions of FATCA under the terms of the applicable legislation implementing FATCA.

On 28 March 2014, Luxembourg has entered into a Model I Intergovernmental Agreement (“**IGA**”) implemented by the amended Luxembourg law dated 24 July 2015 (the “**FATCA Law**”) which requires FFIs located in Luxembourg to comply with FATCA.

Being established in Luxembourg and subject to the supervision of the CSSF in accordance with the Law, the Fund is treated as an FFI for FATCA purposes. The Fund is a Sponsored Entity of Natixis Investment Managers S.A. and as such, has been permitted to use the Global Intermediary Identification Number (GIIN) of Natixis Investment Managers S.A. (5QF5YW.00000.SP.442).

Since July 2014, this status imposes on the Fund the obligation to regularly obtain and verify information on all of its Unitholders and its Controlling Persons, as defined by the FATCA Law. To this extent, the Fund may need to obtain and verify their information, and may request them to provide additional information to the Fund to enable the Fund to satisfy these obligations.

FATCA also requires the Fund to report directly or indirectly through their local authority to the U.S. Internal Revenue Service (the “**IRS**”) certain holdings by and payments made to (i) certain U.S.

Persons, (ii) certain non-financial foreign entities (“**NFFEs**”) owned or controlled by certain U.S. Persons and (iii) FFIs that do not comply with the terms of the FATCA Law (together the “**U.S. Reportable Persons**”).

As such, the Fund shall provide the names, addresses, jurisdiction(s) of tax residence and taxpayer identification number(s) or date of birth (if available) of their U.S. Reportable Persons as well as information such as account balances, income and gross proceeds paid by the Fund (the “**Information**”) to the Luxembourg tax authorities (the *Administration des Contributions Directes* or “**ACD**”) for the purposes set out in the FATCA Law. Such Information will be relayed by the ACD to the IRS.

Any Unitholder or Controlling Person that fails to comply with the Fund’s documentation requests may be subject to liability for any resulting U.S. withholding taxes, U.S. tax information reporting and/or mandatory redemption, transfer or other termination of the Unitholder’s interest in its shares and other administrative or operational costs, or penalties imposed on the Fund and attributable to such Unitholder’s failure to provide the information. In particular, a failure for the Fund to obtain such Information and to transmit it to the ACD may trigger the FATCA Deduction on payments made to such Unitholder.

In certain cases, the Fund may, in its sole discretion, compulsorily redeem or transfer any unit of such Unitholder and take any action required to ensure that the FATCA Deduction or other financial penalty and associated costs (including but not limited to administrative or operational costs related to Unitholders’ non-compliance), expenses and liabilities are economically borne by such Unitholder. Such action may (without limitation) include the Fund reducing or refusing to make payment to such Unitholder following redemption proceeds.

Finally, in certain conditions when the Unitholder or its Controlling Person(s) does not provide sufficient information, the Fund will be required to disclose their available Information to the ACD which will relay it to the IRS.

### Common Reporting Standard

The Fund may be subject to the Standard for Automatic Exchange of Financial Account Information in Tax matters and its Common Reporting Standard (“**CRS**”) as set out in Luxembourg law dated 18 December 2015 implementing Council Directive 2014/107/EU of 9 December 2014 as regards mandatory automatic exchange of information in the field of taxation (the “**CRS Law**”).

Under the terms of the CRS Law, the Fund is treated as a Luxembourg Reporting Financial Institution (“**FI**”) (*Institution financière déclarante*).

As such, since 30 June 2017 and without prejudice to other applicable data protection provisions as set out in the Fund documentation, the Fund is required to annually report to the ACD personal and financial information related, inter alia, to the identification of, holdings by and payments made to (i) certain Unitholders qualifying as Reportable Persons (*Personnes devant faire l’objet d’une déclaration*), and (ii) Controlling Persons of certain non-financial entities (“**NFEs**”) which are themselves Reportable Persons (*Personnes détenant le contrôle*).

As such, the Fund shall provide to the ACD, as exhaustively set out in Annex I of the CRS Law, the names, addresses, jurisdiction(s) of tax residence and taxpayer identification number(s) or date of birth (if available) of their Reportable Persons as well as information such as account balances, income and gross proceeds paid by the Fund (the “**Information**”) for the purposes set out in the CRS Law. Such Information will be relayed by the ACD to the jurisdiction of residence of each Reportable Person.

The Fund’s ability to satisfy its reporting obligations under the CRS Law will depend on each Unitholder and Controlling Person providing the Fund with the

Information, along with the required supporting documentary evidence. In this context, Unitholders and Controlling Persons undertake to promptly provide the Fund with all supporting documentary evidence of any changes related to the Information after occurrence of such changes.

Any Unitholder or Controlling Person that fails to comply with the Fund’s documentation or Information requests may be subject to liability for fines and/or penalties imposed on the Fund and attributable to such Unitholder or Controlling Person’s failure to provide the Information, or to disclosure of the Information by the Fund to the ACD.

### **Data Protection relating to FATCA and CRS**

In the particular context of FATCA and CRS, each Unitholder or Controlling Person should note that their personal data may be disclosed by the ACD, acting as data controller, to foreign tax authorities. Each Unitholder or Controlling Person has a right to access the data communicated to the ACD and to correct such data in case of error. Please refer to the latest version of the Application Form for more information about this topic, including how to contact the Management Company with any questions or concerns in relation to its use of your personal data in this or any other context.

## FUND SERVICE PROVIDERS

### Management Company

Natixis Investment Managers S.A. (formerly known as “NGAM S.A.”) (the “**Management Company**”) serves as the Fund’s management company. As the Fund’s management company, the Management Company serves as administrator, manager and distributor of the Fund. The Management Company administers and manages the assets of the Fund in its own name but for the sole benefit of the Unitholders. The Management Company has the broadest powers permitted by the Luxembourg law to administer, manage and distribute the Fund, including all rights attached directly or indirectly to the Fund’s assets. The Management Company has appointed Natixis Investment Managers International as distributor of the Company’s Units, on a non-exclusive basis, pursuant to a distribution agreement (the “Distribution Agreement”). The Distribution Agreement provides that Natixis Investment Managers International may appoint sub-distributors and agents.

The Management Company may delegate some of its responsibilities to affiliated and non-affiliated parties; however, the Management Company retains ultimate responsibility for the Fund and its activities, including the valuation of all instruments held by the Fund.

Natixis Investment Managers S.A. is a *Société Anonyme* incorporated under Luxembourg law on 25 April 2006 for an unlimited period of time and licensed as a Management Company under Chapter 15 of the Law. The Management Company has also been authorized by the Luxembourg supervisory authority to act as an Alternative Investment Fund Manager (AIFM) within the meaning of the Luxembourg law of 12 July 2013 on alternative investment fund managers, as amended.

The articles of incorporation of the Management Company were initially published in the *Mémorial C* of 15 May 2006 and filed with the Chancery of the District Court of Luxembourg. The articles of incorporation of the Management Company were amended for the last time by an extraordinary general meeting dated 28 February 2018, in the *Recueil Electronique des Sociétés et Associations* (“**RESA**”) and filed with the Luxembourg *Registre de Commerce et des Sociétés*.

The capital of the Management Company currently amounts to €21 million.

The directors of the Management Company are Jason Trepanier, Florian du Port de Poncharra and Christophe Lanne. Jean-Baptiste Gubinelli,

Patricia Horsfall, Sébastien Sallée, Marine Mouraret and Jason Trepanier are responsible for the Management Company’s daily business and operations.

The Management Company is a subsidiary of Natixis Investment Managers, an international asset management group. Headquartered in Paris and Boston, Natixis Investment Managers is wholly-owned by Natixis. Natixis is a subsidiary of BPCE, the second-largest banking group in France.

### Remuneration Policy

The Management Company’s remuneration policy is designed to promote sound and effective risk management for both the Management Company and the funds it manages and does not encourage excessive risk taking. The policy is in line with the business strategy, objectives, values and interests of the Management Company, of the Fund and investors thereof, and includes measures to avoid conflicts of interest.

All employees of the Management Company receive a salary and are eligible to participate in an annual incentive plan, the award granted under such incentive plan are variable and are determined on a number of factors, including the employees level in the organization, individual performance and also overall company performance. In addition, selected employees of the Management Company are eligible to participate in a long-term incentive plan over a three year performance period and are subject to the participants continued employment within the group and may be subject to clawback in certain circumstances. Accordingly, the assessment of performance can be viewed as being set in the context of a multi-year framework. Fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficient proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component in any given year. The remuneration policy of the Management Company is administered and overseen by a remuneration committee composed of member of executive management and the human resources team. Further details on the remuneration policy are available by referring to <http://im.natixis.com/intl-regulatory-documents>, and a paper copy of such details is available on request and without charge.

## Investment Manager

The Management Company has appointed an Investment Manager for each Sub-Fund, as indicated in each Sub-Fund's description under "Characteristics"/"Investment Manager":

Harris Associates L.P. and Loomis, Sayles & Company are registered as investment advisers with the U.S. Securities and Exchange Commission and Natixis Investment Managers International, Thematics Asset Management and Mirova are registered with the French *Autorité des Marchés Financiers*. They are subsidiaries of Natixis Investment Managers, an international asset management group. Headquartered in Paris and Boston, Natixis Investment Managers is wholly-owned by Natixis. Natixis is a subsidiary of BPCE, the second-largest banking group in France.

## Fund Administration

The Management Company has appointed Brown Brothers Harriman (Luxembourg) S.C.A. as Administrative Agent, Paying Agent, Listing Agent, Domiciliary and Corporate Agent and Registrar and Transfer Agent of the Fund.

The Fund's administrative agent ("**Administrative Agent**") is responsible for maintaining the books and financial records of the Fund, preparing the Fund's financial statements, calculating the amounts of any distribution, and calculating the net asset value of each class of Units.

The Fund's paying agent ("**Paying Agent**") is responsible for liaising with and arranging for the payment by the depositary to Unitholders of any redemption proceeds or distribution, as applicable.

The Fund's listing agent ("**Listing Agent**") coordinates the listing of Units on any stock exchange, as decided by the Management Company, and liaises with the authorities of such stock exchange.

The Fund's domiciliary agent ("**Domiciliary Agent**") provides the Fund with a registered Luxembourg address. It also provides assistance with the Fund's legal and regulatory reporting obligations, including required filings and the mailing of Unitholder documentation.

The Fund's registrar and transfer agent ("**Registrar and Transfer Agent**") is responsible for the processing and execution of subscription, transfer, conversion and redemption orders of Units. It also maintains the Fund's Unitholder register.

Brown Brothers Harriman (Luxembourg) S.C.A. is a Luxembourg *société en commandite par actions* and is registered with the Luxembourg supervisory

authority as a bank.

## Custody

The Management Company acting on behalf of the Fund has appointed Brown Brothers Harriman (Luxembourg) S.C.A. as Depositary of the Fund's assets.

The depositary of the Fund's assets ("**Depositary**") holds all cash, securities and other instruments owned by each Sub-Fund in one or more accounts.

The Depositary shall also be responsible for the oversight of the Fund to the extent required by and in accordance with applicable law, rules and regulations.

The key duties of the Depositary are to perform on behalf of the Fund, the depositary duties referred to in the Law, essentially consisting of:

- i. monitoring and verifying the Fund's cash flows;
- ii. safekeeping of the Fund's assets, including inter alia holding in custody financial instruments that may be held in custody and verification of ownership of other assets;
- iii. ensuring that the sale, issue, repurchase, redemption and cancellation of Units are carried out in accordance with the Management Regulations and applicable Luxembourg law, rules and regulations;
- iv. ensuring that the value of the Units is calculated in accordance with the Management Regulations and applicable Luxembourg law, rules and regulations;
- v. ensuring that in transactions involving the Fund's assets any consideration is remitted to the Fund within the usual time limits;
- vi. ensuring that the Fund's income is applied in accordance with the Management Regulations, and applicable Luxembourg law, rules and regulations; and
- vii. carrying out instructions from the Management Company unless they conflict with the Management Regulations or applicable Luxembourg law, rules and regulations.

The Depositary may, subject to certain conditions and in order to effectively conduct its duties, delegate part or all of its safe-keeping duties with regard to financial instruments or to certain of the Fund's assets to one or more delegates appointed by the Depositary from time to time.



When selecting and appointing a delegate, the Depositary shall exercise all due skill, care and diligence as required by the Law to ensure that it entrusts the Fund's assets only to a delegate who may provide an adequate standard of protection. The Depositary's liability shall not be affected by any such delegation. The Depositary is liable to the Company or its Shareholders pursuant the provisions of the Law.

The Law provides also for a strict liability of the Depositary in case of loss of financial instruments held in custody. In case of loss of these financial instruments, the Depositary shall return financial instruments of identical type of the corresponding amount to the Fund unless it can prove that the loss is the result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary will be liable to the Fund for any losses other than the loss of a financial instrument held in custody arising out of the Depositary's negligent or intentional failure to properly fulfill its obligations pursuant to the Law.

The Depositary maintains comprehensive and detailed corporate policies and procedures requiring the Depositary to comply with applicable laws and regulations.

The Depositary has policies and procedures governing the management of conflicts of interest. These policies and procedures address conflicts of interest that may arise through the provision of services to UCITS.

The Depositary's policies require that all material conflicts of interest involving internal or external parties are promptly disclosed, escalated to senior management, registered, mitigated and/or prevented, as appropriate. In the event a conflict of interest may not be avoided, the Depositary shall maintain and operate effective organizational and administrative arrangements in order to take all reasonable steps to properly (i) disclosing conflicts of interest to the UCITS and to, unitholders (ii) managing and monitoring such conflicts.

The Depositary ensures that employees are informed, trained and advised of Conflicts of Interest policies and procedures and that duties and responsibilities are segregated appropriately to prevent conflicts of interest issues.

Compliance with conflicts of interest policies and procedures is supervised and monitored by the Board of Managers as general partner of the Depositary and by the Depositary's Authorized Management, as well as the Depositary's compliance, internal audit and risk management functions.

The Depositary shall take all reasonable steps to identify and mitigate potential conflicts of interest. This includes implementing its conflicts of interest policies that are appropriate for the scale, complexity and nature of its business. This policy identifies the circumstances that give rise or may give rise to a conflicts of interest and includes the procedures to be followed and measures to be adopted in order to manage conflicts of interest. A conflicts of interest register is maintained and monitored by the Depositary.

The Depositary does also act as administrative agent and/or registrar and transfer agent pursuant to the terms of the administration agreements between the Depositary and the Management Company acting on behalf of the Fund. The Depositary has implemented appropriate segregation of activities between the Depositary and the administration/ registrar and transfer agency services, including escalation processes and governance. In addition, the depositary function is hierarchically and functionally segregated from the administration and registrar and transfer agency services business unit.

The Depositary may delegate to third parties the safe-keeping of the Fund's assets to correspondents (the "Correspondents") subject to the conditions laid down in the applicable laws and regulations and the provisions of the Depositary Agreement. In relation to the Correspondents, the Depositary has a process in place designed to select the highest quality third-party provider(s) in each market. The Depositary shall exercise due care and diligence in choosing and appointing each Correspondent so as to ensure that each Correspondent has and maintains the required expertise and competence. The Depositary shall also periodically assess whether Correspondents fulfill applicable legal and regulatory requirements and shall exercise ongoing supervision over each Correspondent to ensure that the obligations of the Correspondents continue to be appropriately discharged. The list of Correspondents relevant to the Fund is available on <https://www.bbh.com/en-us/investor-services/custody-and-fund-services/depositary-and-trustee/lux-subcustodian-list>.

This list may be updated from time to time and is available from the Depositary upon written request.

A potential risk of conflicts of interest may occur in situations where the Correspondents may enter into or have a separate commercial and/or business relationship with the Depositary in parallel to the safekeeping delegation relationship. In the conduct of its business, conflicts of interest may arise between the Depositary and the Correspondent. Where a Correspondent shall have a group link with the Depositary, the Depositary undertakes to identify potential conflicts of interests



arising from that link, if any, and to take all reasonable steps to mitigate those conflicts of interest.

The Depositary does not anticipate that there would be any specific conflicts of interest arising as a result of any delegation to any Correspondent. The Depositary will notify the Board of Directors of the Management Company of any such conflict should it so arise.

To the extent that any other potential conflicts of interest exist pertaining to the Depositary, they have been identified, mitigated and addressed in accordance with the Depositary's policies and procedures.

Updated information on the Depositary's custody duties and conflicts of interest that may arise may be obtained, free of charge and upon request, from the Depositary.

## GENERAL INFORMATION

### Organization

The Fund was organized on 17 January 2011 under the name of "Natixis International Funds (Lux) SIF" as a Specialised Investment Fund pursuant to the Luxembourg Law of 13 February 2007 relating to Specialised Investment Funds, as amended.

On 30 April 2014, the Fund was reorganized as an Undertaking for Collective Investment in Transferable Securities pursuant to Part I of the Law under the name of Natixis Investment Solutions (Lux) I (the "**Law**").

The management regulations of the Fund were lodged with the Luxembourg *Registre de Commerce et des Sociétés* on 20 January 2011 and a publication of such deposit made in the *Mémorial C, Recueil des Sociétés et Associations* of 15 March 2011. The management regulations of Natixis Investment Solutions (Lux) I were amended for the last time on 20 November 2017 and were lodged with the Luxembourg *Registre de Commerce et des Sociétés* on 30 November 2017 for publication of such deposit in the RESA.

All assets and liabilities of each Sub-Fund are distinct from the assets and liabilities of the other Sub-Funds.

### Qualification under Luxembourg Law

The Fund is registered in the Grand Duchy of Luxembourg pursuant to the Law.

### Accounting Year

The end of the Fund's fiscal year is 31 December.

### Reports

The Fund publishes annually audited financial statements and semi-annually unaudited financial statements. The Fund's annual financial statements are accompanied by a discussion of each Sub-Fund's management by the Investment Manager.

Neither the Fund nor the Management Company will deliver a management report ("Unyou Houkokusho") as described under Article 14 of the law concerning the Investment Trust and Investment Corporation of Japan to investors.

### Unitholders' Meetings

The Fund will not hold any general or special meeting of unitholders.

### Disclosure of Sub-Funds' Positions

The Board of Directors of the Management Company may, in compliance with applicable laws and regulations (in particular those relating to the prevention of market timing and related practices), authorize the disclosure of information pertaining to a Sub-Fund's positions subject to (i) certain restrictions designed to protect the Sub-Fund's interests, (ii) the Unitholder's acceptance of the terms of a confidentiality agreement.

### Minimum Net Assets

The Fund must maintain assets equivalent in net value to at least €1,250,000. There is no requirement that the individual Sub-Funds have a minimum amount of assets.

### Changes in Investment Objective and Policies of the Sub-Fund

The investment objective and policies of each Sub-Fund may be modified from time to time by the Board of Directors of the Management Company without the consent of the Unitholders, although the Unitholders will be given one (1) month's prior notice of any such change in order to redeem their Units free of charge.

### Merger of the Fund or any Sub-Fund with Other Sub-Funds or UCIs

The Board of Directors of the Management Company may merge or consolidate the Fund or any Sub-Fund with, or transfer substantially all of the Fund's or any Sub-Fund's assets to or acquire substantially all of the assets of, another undertaking for collective investment or another Sub-Fund with compatible investment objectives and policies in accordance with Luxembourg law and the Fund's management regulations. Unitholders will receive units of the surviving undertaking for collective investment or Sub-Fund, except in those situations when the Fund or Sub-Fund is the surviving entity. Any new units received in such a transaction will have the same value as any Units relinquished in the transaction.

If the Management Company determines to merge, consolidate or transfer substantially all of the Fund's assets, the Management Company will

publish that determination in the RESA and as otherwise required by Luxembourg law.

Unitholders have the right, for a period of one (1) month as from the date of such publication, to request redemption of all or part of their Units at the applicable net asset value, subject to the procedures described under “Subscription, Transfer, Conversion and Redemption of Units” above.

#### **Dissolution and Liquidation of the Fund, any Sub-Fund or any Class of Units**

The Fund and any Sub-Fund have been established for an unlimited period. The Board of Directors of the Management Company, however, may dissolve the Fund, any Sub-Fund or any class of Units and liquidate the assets of the Fund, Sub-Fund or class of Units in accordance with Luxembourg law and the Fund’s management regulations.

Unitholders will receive from the Depositary their pro rata portion of the net assets of the Fund, Sub-Fund or class, as the case may be, in accordance with Luxembourg law and the Fund’s management regulations.

Liquidation proceeds not claimed by Unitholders will be held by the Luxembourg *Caisse de Consignation* in accordance with Luxembourg

law.

If the Board of Directors of the Management Company determines to dissolve the Fund, any Sub-Fund or any class of Units and liquidate its assets, the Board of Directors of the Management Company will publish that determination as it determines in the best interest of the Unitholders of such Sub-Fund or class of Units.

#### **Transparency of environmentally sustainable investments in relation to Regulation (EU) 2020/852 (the “Taxonomy Regulation”)**

Unless as otherwise provided in the relevant Sub-Fund’s supplement, the transparency of environmentally sustainable investments applies as follows:

For the Funds listed below, investors should note that the investments underlying these financial products do not take into account the EU criteria for environmentally sustainable economic activities.

- Harris Associates Kokusai Fund
- Natixis Thematics Flexible Allocation 2027

## DOCUMENTS AVAILABLE

Any investor may obtain a copy of any of the following documents at:

Brown Brothers Harriman (Luxembourg) S.C.A.

80, route d'Esch, L-1470 Luxembourg

between 10h00 and 16h00 Luxembourg time on any day that Luxembourg banks are open for regular business.

- The Fund's management regulations;
- The investment management delegation agreement between the Management Company and the Investment Manager;
- The fund administration agreement between the Management Company and Brown Brothers Harriman (Luxembourg) S.C.A.;
- The custody agreement between the Management Company and Brown Brothers Harriman (Luxembourg) S.C.A.;
- The Fund's Prospectus, the Key Information Documents, and the Key Investor Information Document(s);
- The most recent annual and semi-annual financial statements of the Fund;
- The net asset value of a Unit of each Unit class of any Sub-Fund for any day that the Units' net asset values were calculated;
- The subscription and redemption prices of a Unit of each Unit class of any Sub-Fund for any day that the Units' net asset values were calculated; and
- The Luxembourg Law of 17 December 2010 relating to Undertakings for Collective Investment as may be amended from time to time.

The Fund will publish in *d'Wort*, if appropriate, any unitholder notices required by Luxembourg law or as provided in the management regulations.

## FUND SERVICE PROVIDERS AND BOARD OF DIRECTORS

***Management Company:***

Natixis Investment Managers S.A.  
2, rue Jean Monnet  
L-2180 Luxembourg

***Board of Directors of the Management Company:***

Jason Trepanier  
Chairman of the Board of Directors  
Secretary General of  
Natixis Investment Managers International

Christophe Lanne  
Chairman of the Board of Directors of  
Natixis Investment Managers International

Florian du Port de Poncharra  
Chief Financial Officer of  
Natixis Investment Managers International

***(Sub-)Investment Managers and Advisors:***

Harris Associates L.P.  
111 S. Wacker Drive, Suite 4600  
Chicago, Illinois 60606, USA

Loomis, Sayles & Company, L.P.  
One Financial Center  
Boston, Massachusetts 02111, USA

MIROVA  
59 avenue Pierre Mendès France,  
75013 Paris (France)

Natixis Investment Managers International  
43 Avenue Pierre Mendès-France  
75013 Paris, France

Ossiam  
80 Avenue de la Grande-Armée  
75017 Paris, France

Thematics Asset Management  
20 rue des Capucines  
75002 Paris, France

***Depositary:***

Brown Brothers Harriman (Luxembourg) S.C.A.  
80, route d'Esch, L-1470 Luxembourg

***Administrative Agent, Paying Agent,  
Listing Agent, Domiciliary and Corporate  
Agent and Registrar and Transfer Agent:***

Brown Brothers Harriman (Luxembourg) S.C.A.  
80, route d'Esch, L-1470 Luxembourg

***Auditor of the Fund:***

PricewaterhouseCoopers Société Coopérative  
2, rue Gerhard Mercator B.P. 1443  
L-1014 Luxembourg



***Supervisory Authority:***

CSSF: Commission de Surveillance du Secteur  
Financier  
([www.cssf.lu](http://www.cssf.lu))

***Luxembourg Legal Advisor:***

Arendt & Medernach  
41A, avenue John F. Kennedy  
L-1855 Luxembourg

## DESCRIPTION OF THE EXTRA-FINANCIAL ANALYSIS AND CONSIDERATION OF THE ESG CRITERIA

The Section is only applicable to the Mirova Equity Europe Climate Opportunity Fund and the Mirova Opportunités Sociales, Santé & Bien-Être.

Mirova's ESG approach is to prioritize investment in issuers contributing to the achievement of the United Nations Sustainable Development Goals (UN SDGs) and has therefore defined proprietary ESG (Environmental, Social and Governance) analysis methodologies suited to each category of issuers, so as to screen the relevant investment universe accordingly. The sustainable investment approach applies on an ongoing basis to the entire portfolio and mainly combines systematic ESG thematic and "Best-In-Universe" approaches, complemented by sectoral exclusion and commitment approaches.

For further information with regard to the sustainable investment approach of each Sub-Fund, please refer to the SFDR Annexes.

### 1. Definition of the investment Universe

Mirova's investment process begins with a thematic assessment of the investment universe composed of securities/companies identified by our Responsible research team. The Investment Manager seeks companies that offer solutions for the major transitions emerging in the global economy – demographic, environmental, technological and governance.

### 2. ESG analysis methodology

An extra-financial analysis of companies is systematically carried out, covering in particular ESG aspects, according to a proprietary methodology developed by the Investment Manager. This extra-financial analysis methodology aims to assess the social and environmental impacts of each company in relation to the UN SDGs. It involves notably the evaluation of each company in respect of the three non-financial criteria below:

Environmental	Social	Governance
Environmental impacts of energy generation, Environmental design Recycling.	Employee health and safety practices, Rights and working conditions within the supply chain	Aligning the company's governance with a long-term vision Balance of the distribution of value Observing business ethics

ESG analysis is carried out on the basis of the key challenges specific to each sector. Responsible Investment (RI) Research for Mirova is conducted by a separate team fully dedicated to ESG issues (identification of sustainable opportunities, assessment of issuers' ESG practices, voting and engagement activities, ESG research and sustainability opinions).

### 3. Specific additional SRI approach

#### *"Green bonds" thematic SRI approach*

The management strategy aims to favour green bonds, as defined by the research teams of the Investment Manager. Green bonds are bonds that have an environmental impact insofar as they finance projects related to the environmental transition.

The qualification of a green bond is the result of an internal analysis process by the Investment Manager based on four criteria, derived from the Green Bonds Principles as defined by the ICMA (International Capital Market Association) :

- **Use of the proceeds:** the legal documentation when issuing the bond must specify that use of the funds will enable the financing or refinancing of projects with environmental benefits.
- **Process for project evaluation and selection:** the issuer should communicate the environmental sustainability objectives of the projects and the eligibility criteria.
- **Management of proceeds:** The net proceeds of the Green Bond, or an amount equal to these net proceeds, should be credited to a sub-account, moved to a sub-portfolio or otherwise tracked by the issuer in an appropriate manner, and attested to by the issuer in a formal internal process linked to the issuer's lending and investment operations for green projects.
- **Reporting:** The issuer must undertake to provide regular reporting on the use of the funds in order for the bond to be considered green.

In addition to the above analysis, the Investment Manager uses additional criteria to define eligibility of Green Bonds which include notably :

- Risk assessment: this is an evaluation of the company's general practices or environmental and social risk management throughout the life cycle of the financed projects, regardless of any environmental benefit or damage resulting from the operation of the projects. If an alert concerning the non-respect of human rights is detected during this review, the bond will be automatically excluded from the investment universe.
- Impact on sustainable opportunity: the quality of the environmental impact of the project is analysed. Four Evaluation levels have been defined with respect to the positive environmental impact: High, Significant, Low or No, and Negative. Only issues with a High or Significant positive environmental impact can qualify.

Mirova pays close attention to principles 1 (use of proceeds) and 4 (reporting). If 100% of the bond's use of proceeds is not to finance green projects then it would not be deemed a green bond. Similarly, if the environmental and/or social positive impact is considered as too weak according to our internal analysis, we would not consider the issue as a green bond. Additionally, if the issuer does not commit or does not regularly report on the management of proceeds and impacts, the security would not be considered a green bond.

For further information with regard to the ESG analysis methodology of each Sub-Fund, please refer to the SFDR Annexes.

### 3. Methodological limitations

The business analysis approach is based on a qualitative analysis of the environmental, social and governance practices of these actors and seeks to capture their overall level of compatibility with the achievement of the UN SDGs. Several limitations related to the methodology used, as well as more broadly to the quality of the information available on these subjects, can be identified.

The analysis is largely based on qualitative and quantitative data provided by the companies themselves and is therefore dependent on the quality of this information. Although constantly improving, ESG reporting by companies is still very heterogeneous.

In order to make the analysis as relevant as possible, the Investment Manager concentrates on those points most likely to have a concrete impact on the reviewed assets and on the company as a whole. These key issues are defined by sector and are regularly reviewed. They are, however, by definition not exhaustive.

Lastly, although the analysis methodology aims to incorporate forward-looking elements to ascertain the environmental and social quality of the selected companies, anticipating the occurrence of controversies remains a difficult exercise and may result in a retroactive revision of the opinion of the Investment Manager on the ESG quality of an asset.

The ESG approach may conduct to bias in the construction of the portfolio.

## ***Specific methodological limitations***

### ***Climate thematic SRI approach***

In the absence of a clearly defined reporting framework, the method applied by the Investment Manager for calculating the induced CO2 emissions has several limitations regarding both data and method. Where there are no publicly reported data, the investment manager deemed it fairer to have Carbone 4 calculate the resulting avoided emissions in Scope 1, 2 and 3 wherever relevant, with all the estimates that this implies, rather than consciously using extremely restrictive data on the pretext that they are more reported.

At the methodological level, avoided emissions are those that a company has not emitted thanks to its energy efficiency or the use of green solutions. As such, they are virtual emission reductions: they would have existed had efforts not been made by the company to reduce them. Under the methodology applied by the Delegated investment manager, avoided emissions are quantified based on the difference between the actual emissions and a baseline scenario established by the Investment Manager using methodological hypotheses, which are, by their nature, somewhat subjective. By their nature, actual issuer emissions are not affected by these estimates of avoided emissions; it is therefore not methodologically relevant to subtract avoided emissions from actual emission.

## **SFDR ANNEXES**



Product name: Loomis Sayles World Credit Asset Fund

Legal entity identifier: 222100CBSN7L6B1RM886

## 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:** \_\_\_\_%



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



It will make a minimum of **sustainable investments with a social objective:** \_\_\_\_%



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 \_\_\_\_% of sustainable investments



with an environmental objective in economic activities that 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 promotes E/S characteristics, but **will not make any sustainable investments**

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

The Fund seeks to promote the environmental and social characteristics of climate change impact reduction, social justice and environmental protection (the "E/S Characteristics").

No reference benchmark has been designated for the purpose of attaining the E/S Characteristics promoted by the Fund.



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

The Investment Manager has identified the following sustainability indicators against which it will measure the extent to which the Fund's investments attain the E/S Characteristics:

- (a) Climate change impact reduction: The percentage of issuers which meet over 50% of a proprietary composite set of up to 11 data fields.

**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.

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

- (b) Social justice: The percentage of issuers which meet over 50% of a proprietary composite set of up to 14 data fields.
- (c) Environmental protection: The percentage of issuers which meet over 50% of a proprietary composite set of up to 22 data fields.

In addition, in order to confirm the effectiveness of the screening process, the Investment Manager will monitor the following:

- (a) % of companies that have been assigned a governance rating of 9 or 10 and which demonstrate a negative Momentum Score;
- (b) % of companies that have been assigned an ESG rating of above 9 (low ESG quality);
- (c) other than in relation to the Fund's investments in securitized instruments, % of companies that are flagged as having violated the UN Global Compact Principles in the MSCI ESG Ratings;
- (d) % of companies that derive more than 5% of their revenue from activities in coal, tobacco and cluster munitions; and
- (e) % of companies that are identified as being the top 50 worst carbon footprint offenders by the Transition Pathway Initiative Data Tool.

- ***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?***

Not Applicable

- ***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?***

Not Applicable

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

Not Applicable

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

Not Applicable

*The EU Taxonomy sets out a “do not 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.*

**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.

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

☒ Yes

The Investment Manager considers the principal adverse impacts ("PAI") of the Fund's investments on sustainability factors by monitoring and analysing the following principal adverse impact indicators when managing the Fund:

- Carbon footprint;
- Violations of the UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises;
- Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises;
- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons);
- Investments in companies without carbon emission reduction initiatives; and
- Insufficient whistle blower protection.

The above listed principal adverse impact indicators are taken into consideration by the Investment Manager in various ways as part of its ongoing management of the Fund, including through the application of exclusions, the assessment of issuers against the sustainability indicators outlined above and the Investment Manager's ongoing engagement with the issuers in which the Fund invests.

Information on the PAI of the portfolio holdings of the Fund will be contained in the Fund's annual reports. The first annual report to contain disclosure will be for the financial year ending 31 December 2022.

☐ No



## What investment strategy does this financial product follow?

As a key component of the Fund's investment decision making process, the Investment Manager employs the following bottom-up approach when selecting securities:

- Creation of a composite score: The Investment Manager utilizes a proprietary ESG framework to generate individual scores against specified environmental, social and governance criteria. Issuers are scored on a descending scale from 0 (high ESG quality) to 10 (low ESG quality).
- Screening of the investment universe: As a matter of course, the Investment Manager excludes from the Fund's potential investment universe issuers which:
  - have been assigned a governance rating of 9 or 10 and which demonstrate a negative Momentum Score. The Momentum Score is based on a proprietary model that evaluates corporate issuers on a short term, medium term, and long term framework and equally weights these results to arrive at a Momentum Score to help determine the direction of an issuer's ESG impact;
  - have been assigned an ESG rating of above 9 (low ESG quality);

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

- c. other than in relation to the Fund's investments in securitized instruments , are flagged as having violated the UN Global Compact Principles in the MSCI ESG Ratings;
  - d. derive more than 5% of their revenue from activities in coal, tobacco or cluster munitions; and
  - e. are identified as being the top 50 worst carbon footprint offenders by the Transition Pathway Initiative Data Tool.
- iii. Security selection among the refined investment universe: The Investment Manager will then further analyse the remaining investment universe against additional ESG considerations based on data obtained from external providers and internal analysis to enable the Investment Manager to identify and select issuers which meet the sustainability indicators relating to one or more of the E/S Characteristics and follow good corporate governance practices (see below for further information on how the Investment Manager makes a determination of good governance).

In relation to making a determination as to whether an issuer meets the sustainability indicators, as part of the security selection process the Investment Manager reviews each issuer against three proprietary composite sets of data fields. This review results in issuers being graded A to F against each composite data set, based on the percentage of the underlying data fields it meets. Only issuers which are graded A, B or C against a data set will be deemed to promote the E/S Characteristic to which that data set relates. To be graded A, an issuer has to satisfy 90% or more of the data fields, for a B grade 80-90% and for a C grade between 50-80%.

This assessment is a quantitative assessment and includes a consideration of the principal adverse impact (PAI) indicators that are being tracked in relation to the Fund's investments.

This part of the process is fundamental to the Investment Manager being able to:

- (a) monitor the extent to which the Fund promotes the E/S Characteristics; and
- (b) manage the Fund so as to ensure that 50% of the Fund's NAV promotes the E/S Characteristic on an ongoing basis.

- iv. Portfolio monitoring: is undertaken to ensure all portfolio holdings continue to meet ESG progress expectations. After review, should a portfolio security no longer satisfy the above criteria, the Investment Manager will engage the issuer to:
  - a. Raise awareness to make the issuer aware of ESG deficiencies;
  - b. Determine if the change is structural or temporary, driven by internal or external factors, and whether it is intentional or negligent;
  - c. Engage with the issuer to encourage corrective actions; and
  - d. Determine whether portfolio exclusion is required.

***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?***

As a binding element, the Fund will not invest in issuers which:

- have been assigned a governance rating of 9 or 10 and which demonstrate a negative Momentum Score;
- have been assigned an ESG rating of above 9 (low ESG quality);

- are flagged as having violated the UN Global Compact Principles in the MSCI ESG Ratings (with the exception of the Fund's investments in securitized instruments);
- derive more than 5% of their revenue from activities in coal, tobacco or cluster munitions; and
- are identified as being the top 50 worst carbon footprint offenders by the Transition Pathway Initiative Data Tool.

In addition, the Fund will invest a minimum of 50% of its NAV in investments which align with the E/S Characteristics by meeting the sustainability indicators identified above.

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

Until 29 February 2024, the above detailed screening results in a reduction of the investment universe of the Fund of at least 20%.

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

The Investment Manager analyses its determined investment universe against additional ESG considerations based on data obtained from external providers and internal analysis to enable the Investment Manager to identify and select issuers which follow good corporate governance practices (including, where relevant, a consideration of fair and equitable wages, fair working conditions, product risk management and disclosure practices, diversity among board composition, independent directors, local community support, outreach programs, and tax compliance).

An assessment of governance practices is also made during the screening process (as detailed above), through which any securities/issuers which have:

- been allocated a score of 9 or 10 against the governance criteria in the Investment Manager's proprietary ESG framework and which also demonstrate a negative momentum score;
- been allocated a composite score of 9 or 10 (i.e. the aggregate of the individual scores given to the security for E, S and G aspects) in the Investment Manager's proprietary ESG framework;
- other than in relation to the Fund's investments in securitized instruments, any issuers that are flagged as having violated the UN Global Compact Principles in the MSCI ESG Ratings;

are automatically removed from the investment universe of the Fund for having poor governance.

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

The Fund will invest a minimum of 50% of its NAV in investments which align with the E/S Characteristics by meeting the sustainability indicators outlined above.

The remaining 50% of Fund's NAV will be in a combination of one or more of the following: (i) securities which do not align with the E/S Characteristics as they do not meet the sustainability indicators; (ii) derivatives entered into for the purposes of hedging and liquidity management; (iii) other liquidity/cash management tools, such as money market instruments, cash and cash equivalents.

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

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





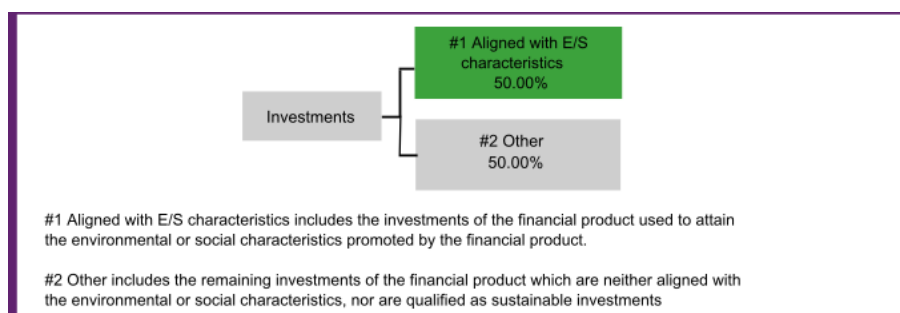
In relation to the securities of companies which do not align with the E/S Characteristics because they do not meet the sustainability indicators, such investments will still be subject to minimum environmental and social safeguards in the investment process which the Investment Manager follows for the Fund, including that the principal adverse impacts of such investments will be considered by the Investment Manager.

In addition, the Fund will invest all of its NAV in investments which align with the exclusionary screens identified under point ii under “What investment strategy does this financial product follow?” above.

Please see below for further detail on the purpose of the remaining proportion of the investments, including a description of minimum environmental or social safeguards.

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?**

Not Applicable



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

Not applicable

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

☐

Yes :

In fossil gas

☐

In nuclear energy

☐
☒

No

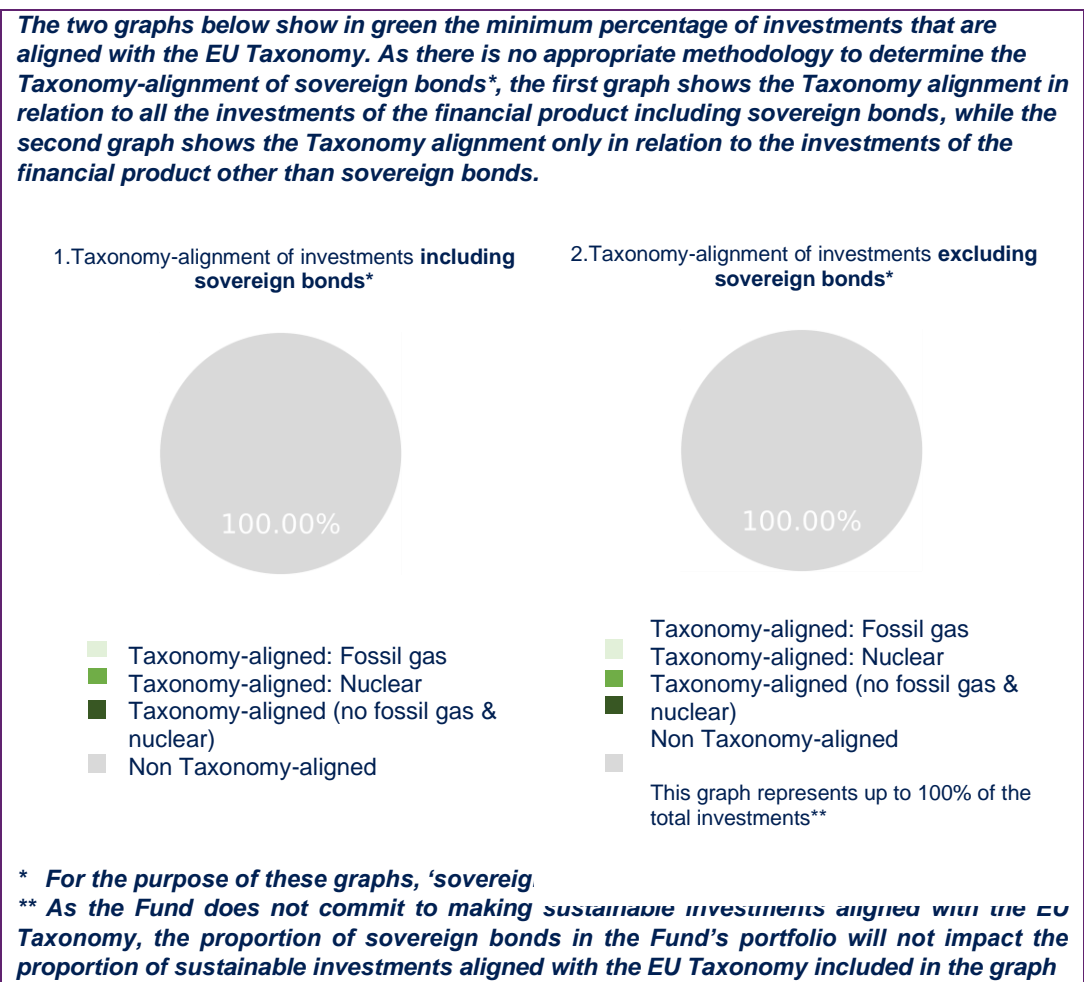
<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (« climate change mitigation ») and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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


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

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.


**account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



● **What is the minimum share of investments in transitional and enabling activities?**  
Not applicable


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

 **What is the minimum share of socially sustainable investments?**  
Not applicable

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

The Fund will invest a minimum of 50% of its NAV in investments which align with the E/S Characteristics by meeting the sustainability indicators (other than the exclusionary screens). The remaining 50% of Fund’s NAV will be in a combination of one or more of the following: (i) securities which do not align with the E/S Characteristics as they do not meet the sustainability indicators; (ii) derivatives entered into for the purposes of hedging and liquidity management; (iii) other liquidity/cash management tools, such as money market instruments, cash and cash equivalents.

In relation to the securities of companies which do not align with the E/S Characteristics because they do not meet the sustainability indicators, such investments will still be subject to minimum environmental and social safeguards in the investment process which the Investment Manager follows for the Fund, including that the principal adverse impacts of such investments will be considered by the Investment Manager.



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

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

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.im.natixis.com/intl/sfdr-documentation-nimsa-en>

**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:** Mirova Equity Europe Climate Opportunity  
**Legal entity identifier:** 549300YPRNXXG6CQUZ15

## Sustainable investment objective

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> Yes	<input type="radio"/> No
<input checked="" type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: 2%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input checked="" type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: 1%</b>	<input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



### What is the sustainable investment objective of this financial product?

The sustainable investment objective of the Fund is to seek exposure to companies:

- that provide low-carbon or carbon efficient solutions, and
- that contribute positively through their products, services and/or practices to the achievement of one or more of the United Nations Sustainable Development Goals (the “SDGs”).

The Investment Manager’s proprietary sustainability research framework has been developed to assess the overall impact of assets on sustainability and to retain investments targets that contribute to the SDGs while having no significant negative impact on any other SDGs.

In addition to this analysis, the Investment Manager will conduct a specific analysis to identify those companies considered to have high added value from an environmental point

of view, particularly in terms of their carbon impact and contribution to the fight against climate change.

Furthermore, considering the importance of a stable climate and thriving ecosystem services, the Investment Manager aims at building an investment portfolio which represents an economy in which the world is expected to warm up by no more than 2 degrees Celsius, in line with the 2015 Paris agreement and that contributes to the conservation of biological diversity and the sustainable use of its components.

The Fund may make investments in economic activities that contribute to the environmental objectives set out in the Article 9 of the Taxonomy Regulation: (a) climate change mitigation and climate change adaptation, (b) sustainable use and protection of water and marine resources, (c) the transition to a circular economy, (d) pollution prevention and control, (e) the protection and restoration of biodiversity and ecosystems.

The alignment of the economics activities of each company with the above objectives is identified and measured to the extent that data is available to the Investment Manager and of an adequate quality. Depending on the investment opportunities available, the Fund may be exposed to any of the above environmental objectives and may not at all times be exposed to all of the objectives.

No reference benchmark has been designated for the purpose of attaining the sustainable investment objective.

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

#### ***What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?***

The attainment of the sustainable investment objective is measured by the both qualitative and quantitative indicators such as but not limited to the following:

1. the percentage of the Fund's exposure aligned with sustainable investment objectives measured according to the sustainability opinion framework developed in-house demonstrating net positive impact of the portfolio towards achievement of SDGs;
2. the percentage of the Fund's exposure to the contribution per SDGs and/or per environmental and social impact pillars (i.e. climate, biodiversity, circular economy, socio-economic development, health and wellbeing, diversity and inclusion);
3. the estimated impact of the Fund on global average increase of temperature taking into account carbon footprint of each company selected in the equity strategy throughout its full lifecycle (i.e. emissions scope 1, 2 and 3) and focuses on two main indicators:
  - «induced» emissions arising from the « lifecycle » of a company's activities, taking into account both direct emissions and those of suppliers and products.
  - «avoided» emissions due to improvements in energy efficiency or «green » solutions.

#### ***How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?***

The sustainability analysis aims to identify the relevant residual environmental and social risks originating from companies' activities and/or practices and assesses the quality of the company's measures to mitigate these risks (the "DNSH test"). Such analysis considers notably the degree of exposure of the investee company to certain sectors or activities that may be considered to be damaging for the environment and/or the society and exposure to relevant environmental or social controversies.

As a result of this qualitative analysis, the Investment Manager issues a binding opinion based on which companies whose economic activities or practices are deemed to have a significant negative impact on the achievement of one or more of the UN SDGs are



systematically excluded from the investment universe, as further described in the Fund's investment policy (the "**Investment Universe**") regardless of their otherwise positive contribution.

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

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

As part of the analysis of residual ESG risks conducted on each investee company, the Investment Manager systematically assesses and monitors indicators that are deemed to indicate the presence of principal adverse impact (including consideration of data relating to the mandatory PAI indicators referred to in the consolidated Regulatory Technical Standards for assessment of sustainable investment in accordance with art. 2 (17) SFDR). When the data necessary for the calculation of certain PAI indicators are not available, the Investment Manager may use qualitative or quantitative proxies that cover themes similar to the PAI indicators in question.

Adverse impacts are prioritized according to the specificities of sectors and business models of companies considered for investment by using a combination of criteria based on:

- analysis of the company's exposure to environmental impacts based on science-based data from international organisations (e.g. energy intensity, impacts on biodiversity, etc),
- analysis of the company's exposure to labour rights and employee matters through its locations, business model and supply chain organization (e.g. exposure to health and safety risks, exposure to countries with specific human rights risks, etc),
- analysis of the company's footprint on local communities and consumers,
- screening of on-going or potential controversies,

Where the Investment Manager deems the investee company's processes and practices are insufficient to mitigate environmental, social and governance risks, notably with regard to the relevant PAIs, the company's impact is deemed as negative which makes it ineligible for investment.

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

The Investment Manager screens investee companies against adherence with OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights. The Investment Manager continuously reviews companies' trackrecords and newsflows to identify significant controversies. Companies' involvement and resolving measures are taken into account. Risks of potential breach may be monitored through engagement to obtain additional assurance. Companies determined by the Investment Manager to be in serious breach of OECD Guidelines for Multinational Enterprises or UN Guiding Principles on Business and Human Rights are recognized as doing significant harm and are therefore rendered non-eligible.



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

☒ Yes

PAI indicators are incorporated into the sustainability analysis framework and the results are part of the DNSH test.

More information on principal adverse impacts on sustainability factors is available in the periodic reporting pursuant to Article 11(2) of the SFDR.



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

The Fund follows a multi-thematic sustainable investment and aims at seeking exposure to European companies that address opportunities linked to the sustainable themes contributing positively to the achievement of one or more of the SDGs.

The Fund is actively managed. The Fund will get exposure to the equity strategy selected in accordance with the sustainable investment objective through the use of OTC derivatives such as total return swaps ("TRS") and equity swaps (together "OTC Derivatives").

The sustainable investment strategy combines:

- the thematic approach (selection of issuers active in themes or sectors related to sustainable development as evidenced by an internal rating system demonstrating net positive impact of the portfolio towards achievement of SDGs);
- the Best-in-universe approach (selection of best rated issuers regardless of their business sector in comparison with the Fund's Investment Universe);
- the exclusion approach: the Fund does not use exclusions as a central tenet of its sustainability approach. However the Fund applies the Investment Manager minimum standards policy which sets out criteria for determining exclusions in case of companies exposed to controversial activities (such as fossil fuel, palm oil, tobacco, military equipment etc).

More information on the general investment policy of the Fund can be found in the Investment Policy section of the prospectus.

### What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

The Fund has the following binding elements :

- The Fund is exposed only to assets evaluated as having a positive impact (i.e. assessed as having high, moderate or low impact as per the Investment Manager's sustainability opinion methodology. Companies or issuers having no impact or negative impact to the achievement of SDGs are excluded) and does not invest in assets with a rating below Low Impact;
- The Fund's exposure to companies with positive impact is systematically higher than that of the Investment Universe;
- The Fund portfolio temperature is in line with the scenario of limiting global temperature rises to a maximum of 2 degrees Celsius, taking into account induced and avoided emissions based on the Investment Manager's internal methodology;
- The Fund complies with the Investment Manager's minimum standards exclusion policy which sets out criteria for determining exclusions in case of companies exposed to controversial activities (such as fossil fuel, palm oil, tobacco, military equipment etc).

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

Governance considerations are incorporated into the Investment Manager's financial assessment and the sustainability opinion framework and include:

- the sound monitoring of environmental and social issues (such as employee relations) and the integration of sustainability in the scope of responsibility of the board and executive team;
- sound business ethics practices;
- the fair distribution of value between stakeholders (notably vis a vis remuneration of staff) and tax compliance;
- analysis of the quality of company management;
- alignment of the company's governance with a long-term vision;
- the balance of power between the executive body, the supervisory body and the shareholders of the issuer;
- the compensation package relevant to company management;
- an analysis of the quality and independence of the board, or of respect for the interests of minority shareholders.

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

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



## What is the asset allocation and the minimum share of sustainable investments?

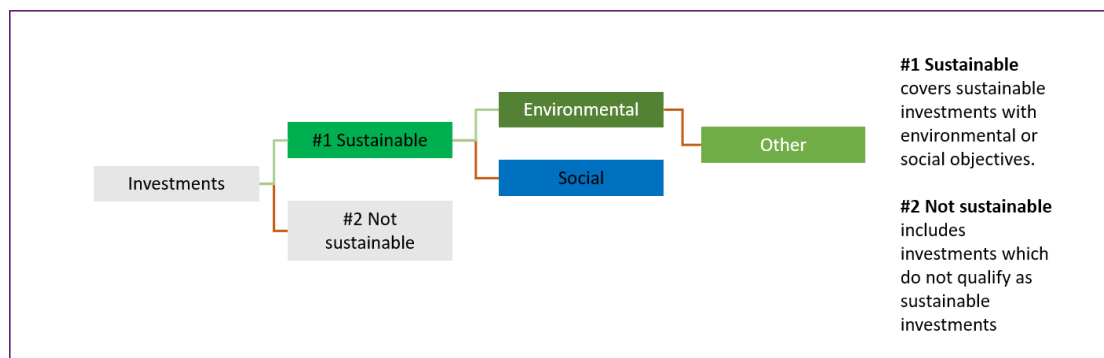
The Fund aims at being exposed for 90% of its net assets in sustainable investments as defined in article 2(17) SFDR (#1 Sustainable). The sustainable investment objective will be measured by using the equity exposure in the Strategy.

Given the investment strategy applied by the Fund, the equity exposure may be reduced in certain market circumstances. In this case, the Fund will be exposed to a money market rate. Considering the neutral nature of such assets, such exposure will not contravene the sustainable investment objective of the Fund.

Sustainable investment with environment and/or social objective is assessed in regards to the achievement of environmental and/or social SDGs.

The asset allocation may change over time and the percentage of sustainable investments should be seen as a minimum commitment measured over an extended period of time.

In addition, the Fund may hold cash or cash equivalents and derivatives for currency risk management purposes for up to 10% of its net assets (#2 Not Sustainable).




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.

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.

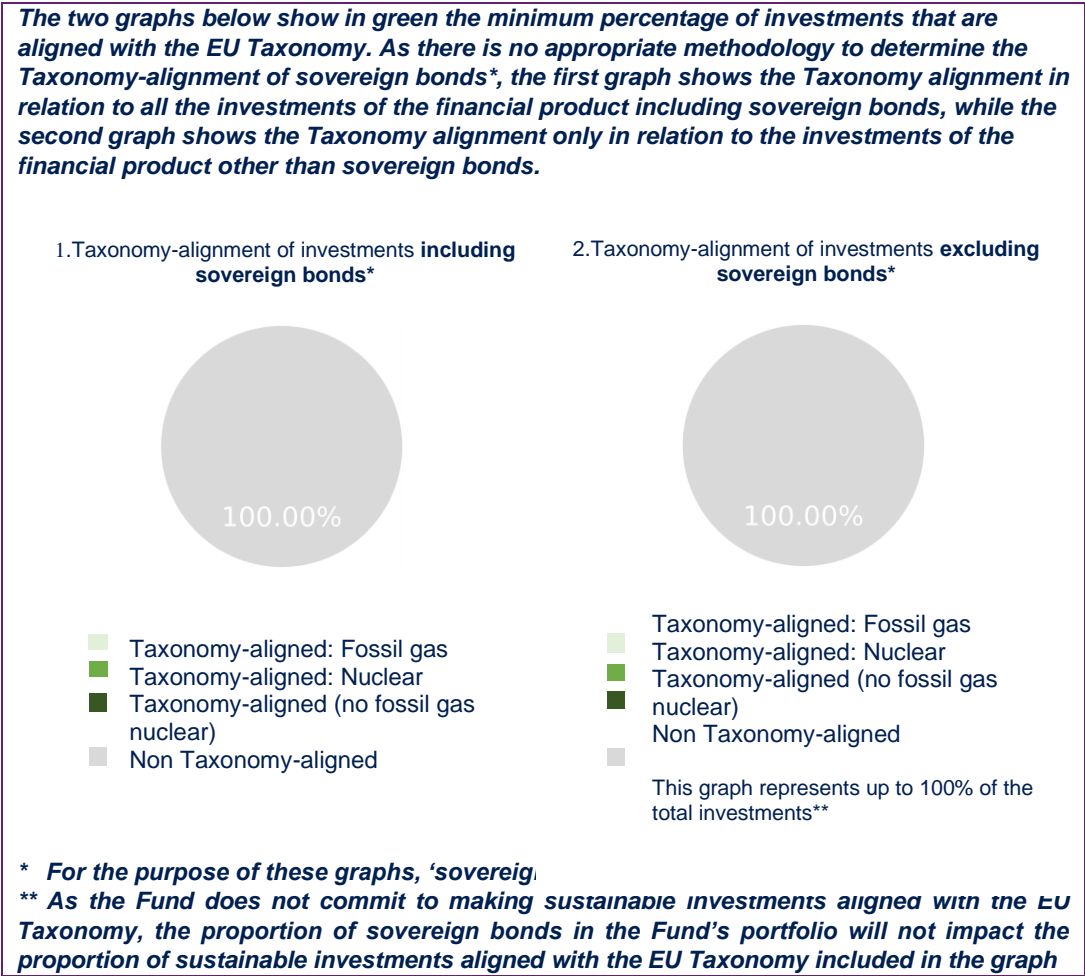
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **How does the use of derivatives attain the sustainable investment objective?**  
As further detailed in the prospectus, the Fund will get exposure to the equity strategy through the use of OTC derivatives such as total return swaps ("TRS") and equity swaps (together "OTC Derivatives"). While getting exposure to the equity strategy through OTC Derivatives, the Fund will invest its net assets in a basket of highly liquid securities (hereafter the "Basket of Securities") in accordance with the Investment Restrictions and will exchange the value of such Basket of Securities against the value of the equity strategy.
-  **To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**  
Not applicable.
- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>2</sup>?**  

☐ Yes :

In fossil gas ☐ In nuclear energy ☐

☒ No



<sup>2</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (« climate change mitigation ») and do not significantly harm any EU Taxonomy objectives - 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?**

Not applicable.



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 will aim at being exposed to a minimum of 2% in sustainable investments with environmental objective which are likely to include sustainable investments that are not aligned with the EU Taxonomy.

The Investment Manager's has developed an internal taxonomy to identify companies that contribute positively through their products, services or practices to environmental themes. This internal taxonomy defines quantitative and qualitative criteria to assess contribution of a company to the themes and includes a broader scope of themes and sectors than those currently identified by the EU Taxonomy.

The overall sustainability assessment on each investee company, which includes a review of positive impacts regarding three environmental themes: climate stability, biodiversity and circular economy.

These themes aim at identifying companies whose activities or practices:

- help develop low carbon energy, eco-efficiency, clean transportation, green building or align with an advanced decarbonation strategy; or
- support sustainable land use, land preservation and sustainable water management or align with an advanced biodiversity preservation strategy; or
- foster sustainable waste management or circular business model.

The Fund does not commit to a minimum share of sustainable investments with an environmental objective that are not aligned to the EU Taxonomy.



**What is the minimum share of sustainable investments with a social objective?**

The Fund will aim at being exposed to a minimum of 1% in sustainable investments with a social objective.

The overall sustainability assessment conducted on each investee company includes a review of positive impacts regarding three social themes: socio-economic development, health and wellness and diversity and inclusion.

These themes aim at identifying companies whose activities or practices:

- help foster access to basic and sustainable services, local impact or promote advanced working conditions; or
- support the development of healthcare, healthy nutrition, knowledge education or safety ; or
- promote diversity and inclusion through dedicated products and services or through advanced practices targeting the workforce.



**What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?**

For technical or hedging purposes, the Fund may hold up to 10% of its net assets in cash or cash equivalents and derivatives for currency risk management purposes. Due to the



technical and neutral nature of the asset, such assets do not qualify as sustainable investments and no minimum safeguards have been put in place.



**Is a specific index designated as a reference benchmark to meet the sustainable investment objective?**

Not applicable.

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective.

- *How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?*

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.im.natixis.com/intl/sfdr-documentation-nimsa-en>

Product name: Mirova Opportunités Sociales, Santé & Bien-Être

Legal entity identifier: 549300FWT83FP38TXV12

**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.



## Sustainable investment objective

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> Yes	<input type="radio"/> No
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: 10%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It promotes <b>Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: 20%</b>	<input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>

### What is the sustainable investment objective of this financial product?

The sustainable investment objective of the Fund is to seek exposure to companies:

- that generate positive social contributions with a specific focus on healthcare and well-being thematics, such as those promoting a good health, providing self-care and/or education services or individuals/communities basic services, and
- that contribute positively through their products, services and/or practices to the achievement of one or more of the United Nations Sustainable Development Goals (the “SDGs”).

Furthermore, considering the importance of a stable climate and thriving ecosystem services, the Investment Manager aims at building an investment portfolio which represents an economy in which the world is expected to warm up by no more than 2 degrees Celsius, in line with the 2015 Paris agreement and that contributes to the conservation of biological diversity and the sustainable use of its components.

The Investment Manager's proprietary sustainability research framework has been developed to assess the overall impact of assets on sustainability and to retain investments targets that contribute to the SDGs while having no significant negative impact on any other SDGs.

This Fund may make investments in economic activities that contribute to the environmental objectives set out in the Article 9 of the Taxonomy Regulation: (a) climate change mitigation and climate change adaptation, (b) sustainable use and protection of water and marine resources, (c) the transition to a circular economy, (d) pollution prevention and control, (e) the protection and restoration of biodiversity and ecosystems.

The alignment of the economics activities of each company with the above objectives is identified and measured to the extent that data is available to the Investment Manager and of an adequate quality. Depending on the investment opportunities available, the Fund may be exposed to any of the above environmental objectives and may not at all times be exposed to all of the objectives.

No reference benchmark has been designated for the purpose of attaining the sustainable investment objective.

***What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?***

The attainment of the sustainable investment objective is measured by the both qualitative and quantitative indicators such as but not limited to the following:

1. the percentage of the Fund's exposure aligned with sustainable investment objectives measured according to the sustainability opinion framework developed in-house demonstrating net positive impact of the portfolio towards achievement of SDGs;
2. the percentage of the Fund's exposure to the contribution per SDGs and/or per environmental and social impact pillars (i.e. climate, biodiversity, circular economy, socio-economic development, health and wellbeing, diversity and inclusion);
3. the estimated impact of the Fund on global average increase of temperature taking into account carbon footprint of each company selected in the equity strategy throughout its full lifecycle (i.e. emissions scope 1, 2 and 3) and focuses on two main indicators:
  - “induced” emissions arising from the “lifecycle” of a company's activities, taking into account both direct emissions and those of suppliers and products.
  - “avoided” emissions due to improvements in energy efficiency or “green” solutions.

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

### *How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?*

The sustainability analysis aims to identify the relevant residual environmental and social risks originating from companies' activities and/or practices and assesses the quality of the company's measures to mitigate these risks (the "DNSH test").

Such analysis considers notably the degree of exposure of the investee company to certain sectors or activities that may be considered to be damaging for the environment and/or the society and exposure to relevant environmental or social controversies.

As a result of this qualitative analysis, the Investment Manager issues a binding opinion based on which companies whose economic activities or practices are deemed to have a significant negative impact on the achievement of one or more of the UN SDGs are systematically excluded from the investment universe regardless of their otherwise positive contribution.

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

As part of the analysis of residual ESG risks conducted on each investee company, the Investment Manager systematically assesses and monitors indicators that are deemed to indicate the presence of principal adverse impact (including consideration of data relating to the mandatory PAI indicators referred to in the consolidated Regulatory Technical Standards for assessment of sustainable investment in accordance with art. 2 (17) SFDR). When the data necessary for the calculation of certain PAI indicators are not available, the Investment Manager may use qualitative or quantitative proxies that cover themes similar to the PAI indicators in question.

Adverse impacts are prioritized according to the specificities of sectors and business models of companies considered for investment by using a combination of criteria based on:

- analysis of the company's exposure to environmental impacts based on science-based data from international organisations (e.g. energy intensity, impacts on biodiversity, etc),
- analysis of the company's exposure to labour rights and employee matters through its locations, business model and supply chain organization (e.g. exposure to health and safety risks, exposure to countries with specific human rights risks, etc),
- analysis of the company's footprint on local communities and consumers,
- screening of on-going or potential controversies,

Where the Investment Manager deems the investee company's processes and practices are insufficient to mitigate environmental, social and governance risks, notably with regard to the relevant PAIs, the company's impact is deemed as negative which makes it ineligible for investment.

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

The Investment Manager screens investee companies against adherence with OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights. The Investment Manager continuously reviews companies' trackrecords and newsflows to identify significant controversies. Companies' involvement and resolving measures are taken into account. Risks of potential breach may be monitored through engagement to obtain additional assurance. Companies determined by the Investment Manager to be in serious breach of OECD Guidelines for Multinational Enterprises or UN

**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.

Guiding Principles on Business and Human Rights are recognized as doing significant harm and are therefore rendered non-eligible.



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

☒ Yes

PAI indicators are incorporated into the sustainability analysis framework and the results are part of the DNSH test.

More information on principal adverse impacts on sustainability factors is available in the periodic reporting pursuant to Article 11(2) of the SFDR.

☐ No



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

The Fund follows a thematic sustainable investment and aims at seeking exposure to US and European companies that address opportunities linked to the sustainable themes contributing positively to the achievement of one or more of the SDGs.

The Fund is actively managed. The Fund will get exposure to the equity strategy selected in accordance with the sustainable investment objective through the use of OTC derivatives such as total return swaps ("TRS") and equity swaps (together "OTC Derivatives").

The sustainable investment strategy combines:

- the thematic approach (selection of issuers active in themes or sectors related to sustainable development as evidenced by an internal rating system demonstrating net positive impact of the portfolio towards achievement of SDGs);
- the Best-in-universe approach (selection of best rated issuers regardless of their business sector in comparison with the Investment Universe);
- the exclusion approach: the Fund does not use exclusions as a central tenet of its sustainability approach. However the Fund applies the Investment Manager minimum standards policy which sets out criteria for determining exclusions in case of companies exposed to controversial activities (such as fossil fuel, palm oil, tobacco, military equipment etc).

More information on the general investment policy of the Fund can be found in the Investment Policy section of the prospectus.

### What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

The Fund has the following binding elements :

- the Fund is exposed only to assets evaluated as having a positive impact inter alia on social contributions with a specific focus on healthcare and well-being thematics (i.e. assessed as having high, moderate or low impact as per the Investment Manager's sustainability opinion methodology. Companies or issuers having no impact or negative impact to the achievement of SDGs are excluded) and does not invest in assets with a rating below Low Impact;

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



- the Fund's exposure to companies with positive impact is systematically higher than that of the Investment Universe;
- the Fund portfolio temperature is in line with the scenario of limiting global temperature rises to a maximum of 2 degrees Celsius, taking into account induced and avoided emissions based on the Investment Manager's internal methodology;
- the Fund complies with the Investment Manager's minimum standards exclusion policy which sets out criteria for determining exclusions in case of companies exposed to controversial activities (such as fossil fuel, palm oil, tobacco, military equipment etc).

**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 incorporated into the Investment Manager's financial assessment and the sustainability opinion framework and include:

- the sound monitoring of environmental and social issues (such as employee relations) and the integration of sustainability in the scope of responsibility of the board and executive team;
- sound business ethics practices;
- the fair distribution of value between stakeholders (notably vis a vis remuneration of staff) and tax compliance;
- analysis of the quality of company management;
- alignment of the company's governance with a long-term vision;
- the balance of power between the executive body, the supervisory body and the shareholders of the issuer;
- the compensation package relevant to company management;
- an analysis of the quality and independence of the board, or of respect for the interests of minority shareholders.

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



### ***What is the asset allocation and the minimum share of sustainable investments?***

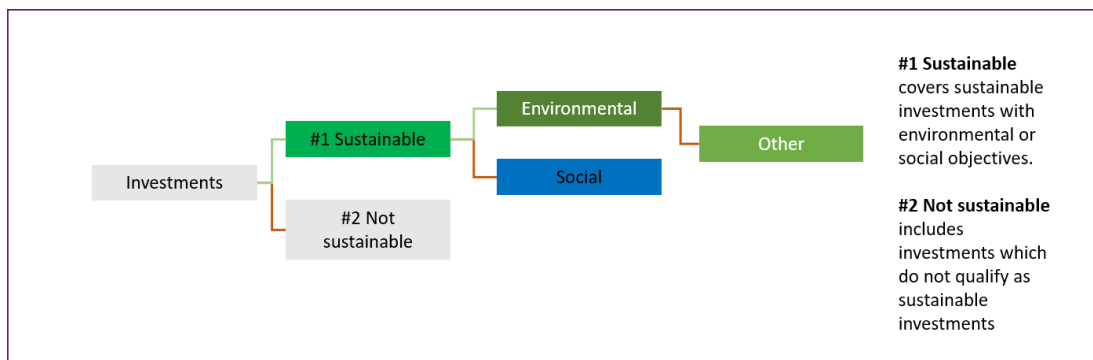
The Fund will aim at being exposed for 90% of its net assets in sustainable investments as defined in article 2(17) SFDR (#1 Sustainable). The sustainable investment objective will be measured by using the equity exposure in the Strategy.

Given the investment strategy applied by the Fund, the equity exposure may be reduced in certain market circumstances. In this case, the Fund will be exposed to a money market rate. Considering the neutral nature of such assets, such exposure will not contravene the sustainable investment objective of the Fund.

Sustainable investment with environment and/or social objective is assessed in regards to the achievement of environmental and/or social SDGs.

The asset allocation may change over time and the percentage of sustainable investments should be seen as a minimum commitment measured over an extended period of time.

In addition, the Fund may hold cash or cash equivalents and derivatives for currency risk management purposes for up to 10% of its net assets (#2 Not Sustainable).



● **How does the use of derivatives attain the sustainable investment objective?**

As further detailed in the prospectus, the Fund will get exposure to the equity strategy through the use of OTC derivatives such as total return swaps (“TRS”) and equity swaps (together “OTC Derivatives”). While getting exposure to the equity strategy through OTC Derivatives, the Fund will invest its net assets in a basket of highly liquid securities in accordance with the Investment Restrictions and will exchange the value of such Basket of Securities against the value of the equity strategy.



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

Not applicable.

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.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>3</sup>?**

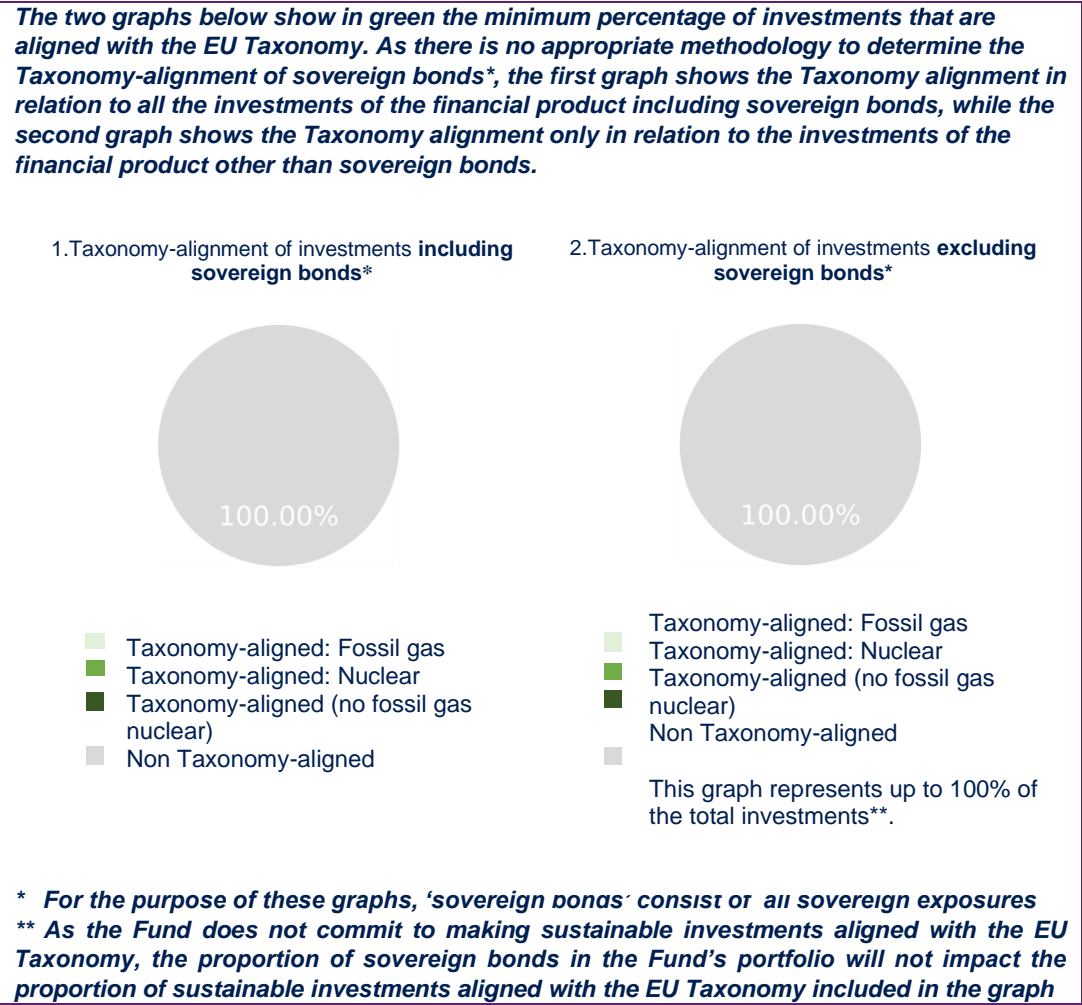
☐ Yes :

In fossil gas ☐ In nuclear energy ☐

☒ No

<sup>3</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (« climate change mitigation ») and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.


To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to 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.



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

Not applicable.

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 will aim at being exposed to a minimum of 10% in sustainable investments with environmental objective which are likely to include sustainable investments that are not aligned with the EU Taxonomy.

The Investment Manager's has developed an internal taxonomy to identify companies that contribute positively through their products, services or practices to environmental themes. This internal taxonomy defines quantitative and qualitative criteria to assess contribution of a company to the themes and includes a broader scope of themes and sectors than those currently identified by the EU Taxonomy.

The overall sustainability assessment performed on each investee company, which includes a review of positive impacts regarding three environmental themes: climate stability, biodiversity and circular economy.

These themes aim at identifying companies whose activities or practices:

- help develop low carbon energy, eco-efficiency, clean transportation, green building or align with an advanced decarbonation strategy; or
- support sustainable land use, land preservation and sustainable water management or align with an advanced biodiversity preservation strategy; or
- foster sustainable waste management or circular business model.



### **What is the minimum share of sustainable investments with a social objective?**

The Fund will aim at being exposed to a minimum of 20% in sustainable investments with a social objective.

This is affected by performing an overall sustainability assessment on each investee company, which includes a review of positive impacts regarding three social themes: socio-economic development, health and wellness and diversity and inclusion.

These themes aim at identifying companies whose activities or practices:

- help foster access to basic and sustainable services, local impact or promote advanced working conditions; or
- support the development of healthcare, healthy nutrition, knowledge education or safety ; or
- promote diversity and inclusion through dedicated products and services or through advanced practices targeting the workforce.



### **What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?**

For technical or hedging purposes, the Fund may hold up to 10% of its net assets in cash or cash equivalents and derivatives for currency risk management purposes. Due to the technical and neutral nature of the asset, such assets do not qualify as sustainable investments and no minimum safeguards have been put in place.



### **Is a specific index designated as a reference benchmark to meet the sustainable investment objective?**

Not applicable.

- *How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?*

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.

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective.

- ***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.im.natixis.com/intl/sfdr-documentation-nimsa-en>





## ADDITIONAL CONSIDERATIONS FOR CERTAIN NON-LUXEMBOURG INVESTORS

Investors from the country(ies) listed below should note the following:

### *Important Information for investors in the United Kingdom:*

Whilst the Fund has been established and is authorised as a UCITS (in accordance with the UCITS Directive) in Luxembourg, the Fund has not been registered in the UK and therefore is not a recognised collective investment scheme for the purposes of the Financial Services and Markets Act 2000 of the United Kingdom ("**FSMA**"). Therefore, the promotion of the Fund and the distribution of this Prospectus in the United Kingdom is accordingly restricted by law.

This Prospectus is being issued in the United Kingdom by Natixis Investment Managers S.A. to, and/or is directed at, persons to or at whom it may lawfully be issued or directed under the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 including persons who are authorised under FSMA ("**authorised persons**"), certain persons having professional experience in matters relating to investments, high net worth companies, high net worth unincorporated associations or partnerships, trustees of high value trusts and persons who qualify as certified sophisticated investors. The Units are only available to such persons in the United Kingdom and this Prospectus must not be relied or acted upon by any other persons in the United Kingdom.

In order to qualify as a certified sophisticated investor a person must a) have a certificate in writing or other legible form signed by an authorised person to the effect that he is sufficiently knowledgeable to understand the risks associated with a particular type of investment and b) have signed, within the last 12 months, a statement in a prescribed form declaring, amongst other things, that he qualifies as a sophisticated investor in relation to such investments.

This Prospectus is exempt from the general restriction in Section 21 of FSMA on the communication of invitations or inducements to engage in investment activity on the grounds that it is being issued to and/or directed at only the types of person referred to above.

The content of this Prospectus has not been approved by an authorised person and such approval is, save where this Prospectus is directed at or issued to the types of person referred to above, required by Section 21 of FSMA.

<b>NATIXIS INVESTMENT SOLUTIONS (LUX) I</b>
---------------------------------------------

***A Fonds Commun de Placement  
organized under the laws of the Grand Duchy of Luxembourg***

**MANAGEMENT REGULATIONS**

The management regulations of the Fund were lodged with the register of Commerce and Companies on January 20, 2011 and a publication of such deposit made in the *Mémorial C, Recueil des Sociétés et Associations* of March 15, 2011.

**Modifications**

**Date of the latest modification**

**Date of the deposit at the Luxembourg  
Trade and Companies Register**

**20 November 2017**

**30 November 2017**

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# Management Regulations

## 1. THE FUND, THE MANAGEMENT COMPANY, THE DEPOSITARY AND THE MANAGEMENT REGULATIONS

(a) **Natixis Investment Solutions (Lux) I** (the “Fund”) is a Luxembourg *Fonds Commun de Placement* composed of several separate sub-funds (each a “Sub-Fund”) and is governed by part I of the Luxembourg amended law of December 17, 2010 on Undertakings for Collective Investments (the “Law”).

(b) **Natixis Investment Managers S.A.** (formerly known as “NGAM S.A.”) (the “Management Company”) serves as the management company of the Fund. The Management Company manages the assets of the Fund in compliance with the Management Regulations and the Fund’s prospectus (the “Prospectus”) in its own name but for the sole benefit of the Unitholders, as defined below. The Management Company has the broadest powers to administer and manage the assets of the Fund within the restrictions set forth in Article 7 hereof, including but not limited to the purchase, sale, subscription, conversion and receipt of securities and other assets permitted by Law and the exercise of all rights attached directly or indirectly to the assets of the Fund.

(c) **Brown Brothers Harriman (Luxembourg) S.C.A.** (the “Depositary”) holds the assets of the Fund in custody in the name of the Fund, in its own name or to its order, in accordance with Article 6 of the Management Regulations.

(d) These management regulations and any amendments thereto (the “Management Regulations”) determine the contractual relationship between holders of all interests in the Fund, the Management Company and the Depositary. The Management Regulations and any future amendment thereto shall be lodged with the Register of Commerce and Companies and a publication of such deposit will be made in the *Recueil Electronique des Sociétés et Associations*.

## 2. FUND, UNITS AND CLASSES OF UNITS

(a) The Management Company may issue an unlimited number of units, including fractional units, each having no par value (each a “Unit” and collectively, the “Units”).

(b) The Fund’s objective is to provide investors access to a diversified management expertise through a range of several separate Sub-Funds, each having its own investment objective and policy. The specific investment objective of the Fund or any Sub-Fund shall be determined by the Management Company and shall be disclosed in the Prospectus. The Management Company may change the investment objective of the Fund; provided that the Management Company amends the Prospectus to reflect the change.

(c) All Units of the Fund have equal rights and privileges except as disclosed in the Prospectus; provided, however, that:

- (i) All Units of the same Class shall have equal rights and privileges;
- (ii) No Units have any preferential or pre-emptive rights;
- (iii) No Units have any voting rights;
- (iv) No Units entitle any Unitholder to manage the Management Company or the Fund;
- (v) No Units entitle any Unitholder the right to demand that the Management Company dissolve or liquidate the Fund;
- (vi) The Management Company may issue Units of the Fund in one or more classes (individually a “Class”, and collectively “Classes”), which may differ with respect to (A) distribution policies, (B) sales and redemption charge structures, (C) management and advisory fee structures, (D) distribution, unitholder services or other fees, (E) currency or currency unit of the relevant Class of Units based on the rate of exchange between such currency or currency unit and the Reference



Currency (the “Currency of quotation”), (F) use of hedging techniques and (G) such other features as may be determined by the Management Company from time to time in accordance with applicable law;

- (vii) The Management Company may apply, or authorize a distributor, sub-distributor or placement agent to apply, a sales charge on the subscription of some or all Units, as disclosed in the Prospectus;
- (viii) The Management Company may apply a redemption fee on the redemption of some or all Units, as disclosed in the Prospectus; and
- (ix) Fractional Units shall be entitled to participation in the net results and in the proceeds of liquidation attributable to the relevant Class of Units on a *pro rata* basis.

(d) The Management Company shall determine the investment policies of the Fund, subject to the limitations imposed by the Management Regulations. The Management Company shall manage the assets of the Fund solely and exclusively in the interest of the holders of the Units (the “Unitholders”) in accordance with the Fund’s investment objective and policies.

(e) The Management Company shall determine the terms and conditions under which Units may be purchased, redeemed, transferred or converted. Such terms and conditions shall be described in the Prospectus. In addition:

- (i) Units shall be issued in each Class on such day as designated by the Management Company to be a date on which Units may be purchased for the relevant Class. Units will be issued at the net asset value per Unit of the relevant Class, as determined in accordance with the provisions of Article 8 hereof, together with any applicable sales charge and other levies as applicable (which may not exceed a maximum percentage of the net asset value per Unit as disclosed in the Prospectus), provided that any subscription application has been received by the Registrar and Transfer Agent (on behalf of the Management Company) by a time and in a form dictated by the Management Company, as more fully described in the Prospectus.
- (ii) Redemptions will be made in each Class on such day as designated by the Management Company to be a date on which Units may be redeemed for the relevant Class. Redemptions will be made at the net asset value per Unit of the relevant Class, as determined in accordance with the provisions of Article 8 hereof, together with any applicable redemption charge and other levies as applicable (which may not exceed a maximum percentage of the net asset value per Unit as disclosed in the Prospectus), provided that any redemption request has been received by the Registrar and Transfer Agent (on behalf of the Management Company) by a time and in a form dictated by the Management Company, as more fully described in the Prospectus.
- (iii) The Management Company may agree to issue Units as consideration for a contribution in kind of assets if: (A) the right of the Management Company to accept contributions in kind is disclosed in the Prospectus, (B) such assets are consistent with the investment objective and policies of the Fund, (C) the values of such assets correspond to the values determined or verified by the auditor of the Fund (*réviseur d'entreprises agréé* within the meaning of Luxembourg law) and delivered to the Management Company in a valuation report, (D) the Management Company makes such valuation report available for inspection by any Unitholder at the registered office of the Management Company, (E) any costs incurred in connection with a contribution in kind of assets shall be borne by the Unitholder, and (F) such contribution otherwise complies with the requirements of Luxembourg law.
- (iv) Any Unitholder may request that the Management Company redeem Units held by such Unitholder and pay as redemption proceeds securities and other instruments in lieu of cash if (A) the right of the Unitholder to request a redemption in kind is disclosed in the Prospectus, (B) the Management Company determines that such in kind redemption would not be detrimental to the Fund and the remaining Unitholders in the Fund, (C) the values of such securities and other

instruments correspond to the values determined or verified by the auditor of the Fund (*réviseur d'entreprises agréé* within the meaning of Luxembourg law) and delivered to the Management Company in a valuation report, (D) the Management Company makes such valuation report available for inspection by any Unitholder at the registered office of the Management Company, (E) the value of the securities constituting the redemption proceeds equals the net asset value of the Units being redeemed, each as determined as of the date of redemption, (F) any costs incurred in connection with the in kind redemption shall be borne by the Unitholder, and (G) such contribution otherwise complies with the requirements of Luxembourg law and requirements of the Prospectus.

- (v) The Management Company may issue Units of any Class in registered form, bearer form or both, as disclosed in the Prospectus; provided, however that:
  - (A) Bearer Units may be issued only in certificated form, which shall provide on their face that they may not be transferred to any person who is not qualified to be a Unitholder, as provided in the Prospectus.
  - (B) If the Management Company has authorized the issuance of registered Units in certificated and uncertificated form, and if a Unitholder does not make an express request to hold his or her Units in certificated form, the Management Company shall issue such Units in uncertificated form.
- (vi) The Management Company may not issue any Units unless, immediately after the time of purchase, those Units will be fully paid and non-assessable. Payments for Units shall be made in accordance with the provisions disclosed in the Prospectus, net of all bank charges, in the Currency of quotation of the relevant class or in any other currency described in the Prospectus, if any.
- (vii) A Unitholder may request the conversion of some or all of his or her Units from one Class to another if he or she meets the requirements for investing in the Class, as described in the Prospectus. The conditions for such conversions will be disclosed in the Prospectus.

### 3. UNITHOLDERS

- (a) Any person purchasing or otherwise acquiring Units, together with his or her successors and assigns, hereby fully acknowledges and agrees to the Management Regulations and each of its terms and conditions.
- (b) The Management Company shall determine those persons that may acquire Units of the Fund and each Class of Units.
- (c) Units may be held individually or jointly; provided, however, that if a Unit is held jointly by more than one person, the Management Company and the Fund only are obligated to recognize all holders of such Units acting jointly and not individually or any one of the holders duly appointed by the other holders to represent them towards the Management Company and the Fund. Neither the Management Company nor the Fund is obligated under these Management Regulations to recognize any rights of any beneficial interest holders (“usufruitiers” within the meaning of Luxembourg law) of Units unless expressly required by law or judicial order.
- (d) The Management Company may, at any time and at its sole discretion prohibit certain persons from directly or beneficially acquiring Units and it may reject or postpone an application to purchase units or redeem Units held by any person, if, in the opinion of the Management Company, (i) such person has made any misrepresentation to the Management Company as to his or her qualification to be a Unitholder, (ii) such person’s continued presence as a Unitholder would cause adverse consequences to the Fund’s Unitholders or to the fulfillment of the Fund’s investment objectives and policies or irreparable harm to the Fund, the Management Company or other Unitholders, (iii) such person is engaging in excessive trading or market-timing or (iv) such person does not comply with the eligibility requirements of such Unit Class or (v) such person is a U.S. person, as that term is defined under regulation S under the U.S. Securities Act of 1933, as amended, (vi) such holding would result in a breach of any law or regulation, whether Luxembourg or foreign,

by the Fund or the Management Company (vii) as a result thereof, the Fund may be exposed to tax disadvantages, administrative burden or other financial disadvantages that it would not have otherwise incurred. Units redeemed pursuant to this Article 3(d) will be redeemed at their applicable net asset value.

#### **4. CHARGES OF THE FUND**

(a) All expenses payable by the Fund are paid out of the assets of the Fund and shall include but are not limited to formation expenses, fees payable to the Management Company, the Depositary, any administrative agent, paying agent, domiciliary agent and listing agent, registrar and transfer agent, any foreign paying agents, investment manager, distributor, auditors and permanent representatives in places of registration, any other agents employed by the Fund, any fees and expenses involved in registering and maintaining the registration of the Fund with any governmental agency, self-regulatory agency or stock exchange in the Grand Duchy of Luxembourg and elsewhere, fees for legal, accounting and auditing services, translation services, reporting and publishing expenses, including the costs of preparing, printing and distributing sales documents, explanatory memoranda, periodical reports or registration statements, all taxes, duties, governmental and similar charges, and all other operating expenses, including the cost of buying and selling assets, interest, bank charges and brokerage, postage, telephone and facsimile transmissions.

(b) (i) Charges that are specifically attributable to one Sub-Fund or Class will be allocated to that Sub-Fund or Class, and (ii) charges that are not specifically attributable to a particular Sub-Fund or Class may be allocated among the relevant Sub-Fund or Unit Classes based on their respective net assets or any other reasonable basis determined by the Management Company given the nature of the charges.

(c) Notwithstanding the provisions of Article 4(b) of the Management Regulations:

- (i) The costs and expenses incurred in connection with the formation of the Fund and the initial issue of Units, and preliminary expenses will be amortized over a period not exceeding five (5) years and in such amounts in each year as determined by the Management Company on an equitable basis.
- (ii) Charges relating to the creation of a new Sub-Fund or Unit Class shall be written off over a period not exceeding five (5) years against the assets of the relevant Sub-Fund or Unit Class. The newly created Sub-Fund or Unit Class shall not bear a pro rata unit of the costs and expenses incurred in connection with the formation of the Fund and the initial issuance of Units, which have not already been written off at the time of the creation of the new Class.
- (iii) All recurring charges will be charged first against income of the Fund, then against capital gains and then against the assets of the Fund.
- (iv) The applicable amount of charges and expenses paid annually by each Sub-Fund shall be set forth in the Prospectus.

#### **5. ACCOUNTING YEAR; FINANCIAL STATEMENTS AND MANAGEMENT REPORTS**

(a) The accounts of the Fund are closed each year on 31 December.

(b) An annual report audited by the auditor and a semi-annual report which does not necessarily have to be audited, are published, respectively, within four and two months following the end of the period which they refer. The Management Company shall make available to Unitholders copies of the reports. Unitholders may obtain such copies free of charge at the registered office of the Management Company, or where otherwise indicated in the Prospectus.

(c) The annual report shall include:

- (i) a balance sheet or a statement of assets and liabilities,
- (ii) an income and expenditure account for the financial year,

- (iii) a report on the activities of the past financial year as well as any significant information enabling investors to make an informed judgment on the development of the activities and of the results of the Fund and
- (iv) financial statements as of the end of and for that fiscal year and the report from the independent auditor.

(d) All financial statements shall be expressed in the Reference Currency.

(e) The Management Company will make available at the registered offices of the Management Company and the Depositary, as well as any other agent of the Fund as described in the Prospectus, any other financial information concerning the Fund or the Management Company, including the periodic calculation of the net asset value per Unit of each Class, the issue, redemption and conversion prices. The Management Company may, in its discretion, notify Unitholders of or publish any other information concerning the Management Company or the Fund in such manner as the Management Company may decide.

## **6. AGENTS OF THE FUND**

(a) The Management Company may appoint one or more persons to serve as the depositary, domiciliary agent, listing agent, administrative agent, paying agent, registrar, transfer agent, investment manager and distributor of Units, as well as any other agent, of the Fund, as it deems necessary or appropriate. Each such appointment shall be pursuant to a written agreement, a copy of which the Management Company shall make available to Unitholders upon request. Notwithstanding the foregoing, the Management Company shall have overall control of and retain ultimate responsibility for the activities of those agents as they relate to the Fund.

(b) The Depositary of the Fund's assets will carry out all operations and duties concerning the day-to-day administration of the assets of the Fund as provided for in the Law. The Depositary is liable to the investors for any loss suffered by them as a result of its negligence, default or willful misconduct in the performance of its obligations.

Among the operations and duties concerning the day-to-day administration of the assets of the Fund shall be the following:

- i. monitoring and verifying the Fund's cash flows;
- ii. safekeeping of the Fund's assets, including inter alia holding in custody financial instruments that may be held in custody and verification of ownership of other assets;
- iii. ensuring that the sale, issue, repurchase, redemption and cancellation of Units are carried out in accordance with the Management Regulations and applicable Luxembourg law, rules and regulations;
- iv. ensuring that the value of the Units is calculated in accordance with the Management Regulations and applicable Luxembourg law, rules and regulations;
- v. ensuring that in transactions involving the Fund's assets any consideration is remitted to the Fund within the usual time limits;
- vi. ensuring that the Fund's income is applied in accordance with the Management Regulations, and applicable Luxembourg law, rules and regulations; and
- vii. carrying out instructions from the Management Company unless they conflict with the Management Regulations or applicable Luxembourg law, rules and regulations.

Should all or some of the assets of the Fund be entrusted in custody to a third party, the Depositary shall give its prior consent to the appointment of this third party custody provider and supervise the relevant third party with which the assets of the Fund have been deposited.

(c) No agent of the Fund appointed by the Management Company may delegate or assign any of its duties and obligations under these Management Regulations except (i) as expressly provided in this Article 6 or with the express written consent of the Management Company and (ii) if the agent remains liable for the actions of the delegate or assignee.

(d) The Management Company may terminate and replace the Depositary, and the Depositary may resign as the Depositary subject to the conditions of applicable law. The Management Company may terminate any other agent in its sole discretion in compliance with the corresponding agreements.

## **7. INVESTMENT RESTRICTIONS, USE OF DERIVATIVES, SPECIAL INVESTMENTS AND HEDGING TECHNIQUES**

### **INVESTMENT RESTRICTIONS**

Unless more restrictive rules are provided for in the investment policy of any specific Sub-Fund, each Sub-Fund shall comply with the rules and restrictions detailed below and in the chapter entitled “Use of Derivatives, Special Investment and Hedging Techniques”.

Investors should note that the Investment Manager of any Sub-Fund may decide to comply with more restrictive investment rules set forth by the laws and regulations of jurisdictions where such Sub-Fund may be marketed or by laws and regulations applicable to certain investors in such Sub-Fund.

If the limits set forth below or in the chapter entitled “Use of Derivatives, Special Investment and Hedging Techniques” are exceeded for reasons beyond the control of the Investment Manager, the Investment Manager must adopt as its primary objective in its sale transactions the remedying of such situation, taking due account of the interests of the Sub-Fund’s Unitholders.

### **General Restrictions**

#### **➤ Authorized Investment**

In compliance with the risk spreading requirements defined in the Law and unless otherwise provided for in the investment policy of any particular Sub-Fund, each Sub-Fund may invest in the assets described below.

1. At least 90% of each Sub-Fund’s net assets must consist of:

- a. Transferable securities or money market instruments admitted to official listing on a stock exchange or dealt in on a regulated market within the meaning of Directive 2009/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in Financial Instruments or any other regulated market that operates regularly, is recognized and is open to the public (“Regulated Market”) located in a Member State or any other country of Europe, Asia, Oceania, Africa or the American continents.
- b. Recently issued transferable securities or money market instruments for which an undertaking has been made that application will, or has been made, for admission to official listing on any Regulated Market, provided that such admission is effectively secured within one (1) year of issue.
- c. Units of undertakings for collective investment in transferable securities (“UCITS”) authorized according to the EC Directive of European Parliament and of the Council of July 13, 2009 (2009/65/EC) (“UCITS Directive”) and/or other undertakings for collective investment (“UCI”) within the meaning of the first and second indent of Article 1, paragraph (2) a) and b) of the UCITS Directive, whether or not established in a Member State (as defined under the Law), provided that:
  - Such other UCIs must be authorized under laws of either a Member State or a state in respect of which the Luxembourg supervisory authority considers that the level of (i) supervision of such UCIs is equivalent to that provided for under Community law and (ii) cooperation between the relevant local authority and the Luxembourg supervisory authority is sufficiently ensured.

- Such other UCIs must provide to their unitholders a level of protection that the Investment Manager may reasonably consider to be equivalent to that provided to unitholders by UCITS within the meaning of Article 1(2) a) and b) of the UCITS Directive, in particular with respect to the rules on assets segregation, applying to portfolio diversification and borrowing, lending and short sales transactions.
  - Such UCIs must issue semi-annual and annual reports.
  - The organizational documents of the UCITS or of the other UCIs must restrict investments in other undertakings for collective investment to no more than 10% of their aggregate net assets.
- d. Time deposits with credit institutions, under the following restrictions:
- Such deposits may be withdrawn at any time.
  - Such deposits must have a residual maturity of less than twelve (12) months.
  - The credit institution must have its registered office in a Member State or, if its registered office is located in another state, the credit institution must be subject to prudential rules considered by the Luxembourg supervisory authority to be equivalent to those provided for under Community law.
- e. Money market instruments other than those dealt in on a Regulated Market, under the following restrictions:
- The issue or the issuer of such instruments must be regulated in terms of investor and savings protection.
  - Such instruments must be either (i) issued or guaranteed by an EU Member State, its local authorities or central bank, the European Central Bank, the EU, the European Investment Bank, any other state that is not an EU Member State, a public international body of which one or more EU Member States are members or, in the case of a federal state, any one of the entities forming part of the federation; or (ii) issued by a corporate entity whose securities are traded on a Regulated Market; or (iii) issued or guaranteed by an entity that is subject to prudential supervision in accordance with criteria defined under Community law; or (iv) issued or guaranteed by an entity that is subject to prudential rules considered by the Luxembourg supervisory authority to be equivalent to those provided for under Community law; or (v) issued by other entities that belong to categories of issuers approved by the Luxembourg supervisory authority, provided that investments in such instruments are subject to investor protection equivalent to that provided by the types of issuers mentioned in Paragraph e.(i) to (iv) above. The issuer of the instruments referred to in Paragraph e.(v) above must be a company (x) whose capital and reserves amount to at least €10 million, (y) that issues its annual financial statements in accordance with EEC Council Directive 78/660/EEC, and (z) that, within a group of companies including at least one listed company, is dedicated to the financing of the group or is an entity dedicated to the financing of securitization vehicles that benefits from a bank liquidity line.
- f. Derivatives, under the conditions set forth in the chapter entitled “Use of Derivatives, Special Investment and Hedging Techniques”.
- g. Cash, under the conditions set forth in the section below entitled "Cash Management".
- h. Securities issued by one or several other Sub-Funds (the “Target Sub-Fund(s)”), under the following conditions:
- The Target Sub-Fund does not, in turn, invest in the investing Sub-Fund,
  - The voting rights linked to the transferable securities of the Target Sub-Fund are suspended during the period of investment without prejudice to the appropriate processing in the accounts and relevant periodic reports, and,
  - In any event, for as long as these securities are held by the Fund, their value will not be taken into



consideration for the calculation of the net asset value for the purposes of verifying the minimum threshold of the net assets imposed by the Law.

2. Up to 10% of each Sub-Fund's net assets may consist of assets other than those referred to under Paragraph 1 above.

➤ **Cash Management**

Each Sub-Fund may:

1. Hold up to 49% of its net assets in cash. In exceptional circumstances, such as in the event of a large subscription request, this limit may be temporarily exceeded if the Fund considers this to be in the best interest of the Unitholders.
2. Borrow up to 10% of its net assets on a temporary and non-recurring basis.
3. Acquire foreign currency by means of back-to-back loans.

➤ **Investments in any one Issuer**

For the purpose of the restrictions described in Paragraphs 1 through 5 and 8 below and Paragraphs 2, 5 and 6 of the chapter entitled "Use of Derivatives, Special Investment and Hedging Techniques", issuers that consolidate or combine their accounts in accordance with Directive 83/349/EEC or recognized international accounting rules are regarded as one and the same group issuer ("Issuing Group").

Issuers that are UCIs structured as SICAVs, defined as a legal entity with several separate sub-funds or portfolios, whose assets are held exclusively by the investors of such sub-fund or portfolio and which may be held severally liable for its own debts and obligations shall be treated as a separate issuer for the purposes of Paragraphs 1 through 5, 7 through 8 below and Paragraphs 2 and 4 through 6 of the chapter entitled "Use of Derivatives, Special Investment and Hedging Techniques".

Each Sub-Fund shall comply with the following restrictions within six (6) months following its launch:

**Transferable Securities and Money Market Instruments**

1. Each Sub-Fund shall comply with the following restrictions:
  - a. No Sub-Fund may invest more than 10% of its net assets in transferable securities or money market instruments of any one issuer.
  - b. Where investments in transferable securities or money market instruments of any one issuer exceed 5% of the Sub-Fund's net assets, the total value of all such investments may not exceed 40% of the Sub-Fund's net assets. This limitation does not apply to time deposits and OTC Derivatives that satisfy the requirements described in the chapter entitled "Use of Derivatives, Special Investment and Hedging Techniques" below.
2. No Sub-Fund may invest in the aggregate more than 20% of its net assets in transferable securities or money market instruments issued by the same Issuing Group.
3. Notwithstanding the limit set forth in Paragraph 1.a. above, each Sub-Fund may invest up to 35% of its net assets in any one issuer of transferable securities or money market instruments that are issued or guaranteed by a Member State, its local authorities, any other state that is not a Member State or a public international body of which one or more Member States are members.
4. Notwithstanding the limit set forth in Paragraph 1.a. above, each Sub-Fund may invest up to 25% in any one issuer of qualifying debt securities issued by a credit institution that has its registered office in a Member State and, under applicable law, is submitted to specific public control in order to protect the holders of such qualifying debt securities. Qualifying debt securities are securities the proceeds of which

are invested in accordance with applicable law in assets providing a return covering the debt service through to the maturity date of the securities and will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. Where investments in any one issuer of qualifying debt securities exceed 5% of the Sub-Fund's net assets, the total value of such investments may not exceed 80% of the Sub-Fund's net assets.

5. The investments referred to in Paragraphs 3 and 4 above may be disregarded for the purposes of calculating the 40% limit set forth in Paragraph 1.b. above.
6. Notwithstanding the foregoing, each Sub-Fund may invest up to 100% of its net assets in transferable securities or money market instruments issued or guaranteed by a Member State, its local authorities, any other Member State of the Organization for Economic Co-operation and Development ("OECD") or a public international body of which one or more Member States are members, provided that such securities are part of at least six different issues and the securities from any one issue do not account for more than 30% of the Sub-Fund's net assets.
7. Notwithstanding the limits set forth in Paragraph 1 above, each Sub-Fund whose investment policy is to replicate the composition of a stock or debt security may invest up to 20% of its net assets in stocks or debt security issued by any one issuer under the following restrictions:
  - a. The index must be recognized by the Luxembourg supervisory authority.
  - b. The composition of the index must be sufficiently diversified.
  - c. The index must be an adequate benchmark for the market represented in such index.
  - d. The index must be appropriately published.

The 20% limit referred to above may be raised to 30% under exceptional market conditions, particularly those impacting the Regulated Markets where certain transferable securities or money market instruments are highly dominant. The investment up to this 30% limit is only permitted for one single issuer.

#### Bank Deposits

8. A Sub-Fund may not invest more than 20% of its net assets in deposits made with any one institution.

#### Units of other UCIs

9. Each Sub-Fund shall comply with the following restrictions:
  - a. No Sub-Fund may invest more than 20% of its net assets in the units of any one UCI. For the purposes of this Paragraph, each sub-fund of a UCI with several sub-funds within the meaning of Article 181 of the Law, must be considered as a separate issuer, provided that each sub-fund may be held severally liable for its own debts and obligations.
  - b. Investments made in units of UCIs other than UCITS may not in the aggregate exceed 30% of the net assets of each Sub-Fund.
  - c. When a Sub-Fund has acquired units of other UCITS and/or UCIs, the underlying assets of such UCITS and/or UCIs do not have to be taken into account for the purposes of the limits set forth in Paragraphs 1 through 5 and 8 of the section entitled "Investment in any one issuer" and Paragraphs 2, 5 and 6 of the chapter entitled "Use of Derivatives, Special Investments and Hedging Techniques".
  - d. If any UCITS and/or UCI in which a Sub-Fund invests is managed directly or indirectly by the same investment manager or if such UCITS and/or UCI is managed by a company linked to the Sub-Fund by common management or control or by way of a direct or indirect stake of more than 10% of the capital or votes, investment in the securities of such UCITS and/or UCI shall be permitted only if neither sales charges nor redemption charges are paid by the Sub-Fund on account of such investment.

- e. A Sub-Fund that invests a substantial proportion of its assets in other UCITS and/or UCIs shall disclose in the Prospectus the maximum level of investment management fees that may be charged both to the Sub-Fund itself and to the other UCITS and/or UCIs in which it intends to invest. In the annual report of the Fund, the Management Company shall indicate the investment management fees actually charged both to the Sub-Fund itself and to the other UCITS and/or UCIs in which the Sub-Fund invests.

➤ ***Combined Limits***

10. Notwithstanding the limits set forth in Paragraphs 1 and 8 of the section entitled “Investment in any one Issuer” and Paragraph 2 of the chapter entitled “Use of Derivatives, Special Investments and Hedging Techniques, no Sub-Fund may combine (a) investments in transferable securities or money market instruments issued by, (b) deposits made with, (c) exposure arising from OTC Derivative transactions undertaken with, or (d) exposure arising from efficient portfolio management techniques with any one entity in excess of 20% of its net assets.
11. The limits set forth in Paragraphs 1, 3, 4 and 8 of the section entitled “Investments in any one Issuer” and Paragraph 2 of the entitled “Use of Derivatives, Special Investments and Hedging Techniques” may not be aggregated. Accordingly, each Sub-Fund’s investments in transferable securities or money market instruments issued by, and deposits or derivatives instruments or efficient portfolio management techniques made with, any one issuer in accordance with Paragraphs 1, 3, 4 and 8 of the section entitled “Investments in any one Issuer” and Paragraph 2 and 5 of the chapter entitled “Use of Derivatives, Special Investment and Hedging Techniques” may under no circumstances exceed 35% of its net assets.

➤ ***Master-feeder Structures***

12. Any Sub-Fund which acts as a feeder fund (the “Feeder”) of a master fund shall invest at least 85% of its assets in shares/units of another UCITS or of a compartment of such UCITS (the “Master”), which shall neither itself be a feeder fund nor hold units/shares of a feeder fund. The Feeder may not invest more than 15% of its assets in one or more of the following:

- a) ancillary liquid assets in accordance with Article 41 (2), second paragraph of the Law;
- b) financial derivative instruments, which may be used only for hedging purposes, in accordance with Article 41 (1) g) and Article 42 (2) and (3) of the Law;
- c) movable and immovable property which is essential for the direct pursuit of the Fund’s business.

When a Sub-Fund invests in the shares/units of a Master which is managed, directly or by delegation by the same management company or by any other company with which such management company is linked by common management or control, or by a substantial direct or indirect holding, the management company or such any other company may not charge subscription or redemption fees on account of the Sub-Fund investment in the shares/units of the Master.

The maximum level of the management fees that may be charged both to the Feeder and to the Master is disclosed in this Prospectus. The Fund indicates the maximum proportion of management fees charged both to the Sub-Fund itself and to the Master in its annual report. The Master shall not charge subscription or redemption fees for the investment of the Feeder into its shares/units or the disinvestment thereof.

### **Influence over any one Issuer**

The influence that the Fund or each Sub-Fund may exercise over any one issuer shall be limited as follows:

- 1. Neither the Fund nor any Sub-Fund may acquire shares with voting rights which would enable such Sub-Fund or the Fund as a whole to exercise a significant influence over the management of the issuer.
- 2. Neither any Sub-Fund nor the Fund as a whole may acquire (a) more than 10% of the outstanding non-voting shares of the same issuer, (b) more than 10% of the outstanding debt securities of the same issuer, (c) more than 10% of the money market instruments of any single issuer, or (d) more than 25% of the outstanding units of the same UCITS and/or UCI.

The limits set forth in Paragraph 2(b) through 2(d) above may be disregarded at the time of the acquisition if at that time the gross amount of debt securities or money market instruments or the net amount of the instruments in issue may not be calculated.

The limits set forth in Paragraphs 1 and 2 of this section above do not apply in respect of:

- Transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities, any other state that is not an EU Member State or a public international body of which one or more Member States are members.
- Shares held by the Fund in the capital of a company incorporated in a state that is not an EU Member State provided that (a) this issuer invests its assets mainly in securities issued by issuers of that state, (b) pursuant to the laws of that state such holding constitutes the only possible way for the Sub-Fund to purchase securities of issuers of that state, and (c) such company observes in its investment policy the restrictions in this section as well as those set forth in Paragraphs 1 through 5 and 8 through 11 of the section entitled “Investments in any one Issuer” and Paragraphs 1 and 2 of this section.
- Shares in the capital of affiliated companies which, exclusively on behalf of the Fund, carry on only the activities of management, advice or marketing in the country where the affiliated company is located with respect to the redemption of Units at the request of Unitholders.

### **Overall Risk and Risk Management Process**

The Management Company must implement a risk management process that enables it to monitor and measure at any time the risks related to the assets held in the Sub-Funds and their contribution to the overall risk profile of the Sub-Funds. Whenever such risk management process is implemented on behalf of the Management Company by the Investment Manager, it is deemed to be implemented by the Management Company. Specific limits and risks relating to financial derivatives instruments are respectively described under the section “Derivatives” of the chapter entitled “Use of Derivatives, Special Investment and Hedging Techniques”.

### **Prohibited Transactions**

Each Sub-Fund is prohibited from engaging in the following transactions:

- Acquiring commodities, precious metals or certificates representing commodities or metals;
- Investing in real property unless investments are made in securities secured by real estate or interests in real estate or issued by companies that invest in real estate or interests in real estate;
- Issuing warrants or other rights to subscribe in Units of the Sub-Fund;
- Granting loans or guarantees in favor of a third party. However such restriction shall not prevent each Sub-Fund from investing up to 10% of its net assets in non fully paid-up transferable securities, money market instruments, units of other UCIs or financial derivative instruments; and
- Entering into uncovered short sales of transferable securities, money market instruments, units of other UCIs or financial derivative instruments.

### **USE OF DERIVATIVES, SPECIAL INVESTMENT AND HEDGING TECHNIQUES**

For the purpose of hedging, efficient portfolio management, duration management, other risk management of the portfolio or investment, a Sub-Fund may use the following techniques and instruments relating to transferable securities and other liquid assets.

Under no circumstance shall these operations cause a Sub-Fund to fail to comply with its investment objective

and policy.

## **Derivatives**

1. A Sub-Fund may use derivatives, including options, futures, swaps and forward contracts, for risk management, hedging or investment purposes, as specified in the Sub-Fund's investment policy. Any such derivatives transaction shall comply with the following restrictions:

- a) Such derivatives must be traded on a Regulated Market or over-the-counter with counterparties that are subject to prudential supervision and belong to the categories of counterparties approved by the Luxembourg supervisory authority.
- b) The underlying assets of such derivatives must consist of either the instruments mentioned in Paragraph 1 of the section entitled "Authorized Investments" or financial indices, interest rates, foreign exchange rates or currencies in which the relevant Sub-Fund invests in accordance with its investment policy.
- c) Such derivatives, if traded over-the-counter ("OTC Derivatives"), must be subject to reliable and verifiable pricing on a daily basis and may be sold, liquidated or closed by the Sub-Fund at any time at their fair value

### ***Investments in any one Issuer***

2. The risk exposure to any one counterparty in an OTC Derivative transaction may not exceed:

- a. 10% of each Sub-Fund's net assets when the counterparty is a credit institution that has its registered office in a Member State or, if its registered office is located in another state, that is subject to prudential rules considered by the Luxembourg supervisory authority to be equivalent to those provided for under Community law, or
  - b. 5% of each Sub-Fund's net assets when the counterparty does not fulfill the requirements set forth above.
3. Investments in financial derivatives instruments that are not index-based shall comply with the limits set forth in Paragraphs 2, 5 and 11 of the section entitled "Investments in any one Issuer" of the chapter entitled "Investment Restrictions" and Paragraph 6 of this chapter, provided that the exposure to the underlying assets does not exceed in the aggregate the investment limits set forth in Paragraphs 1 through 5 and 8 of the chapter entitled "Investment Restrictions" and Paragraphs 2, 5 and 6 of this chapter.
4. When a transferable security or money market instrument embeds a derivative, such derivative must comply with the requirements of Paragraph 3 above and those set forth under "Global Risk Exposure" below.

### ***Combined Limits***

5. Notwithstanding the limits set forth in Paragraphs 1 and 8 of the section entitled "Investment in any one Issuer" and Paragraph 2 of the chapter entitled "Use of Derivatives, Special Investments and Hedging Techniques, no Sub-Fund may combine (a) investments in transferable securities or money market instruments issued by, (b) deposits made with, (c) exposure arising from OTC Derivative transactions undertaken with, or (d) exposure arising from efficient portfolio management techniques with any one entity in excess of 20% of its net assets.
6. The limits set forth in Paragraphs 1, 3, 4 and 8 of the section entitled "Investments in any one Issuer" and Paragraph 2 of the chapter entitled "Use of Derivatives, Special Investments and Hedging Techniques" may not be aggregated. Accordingly, each Sub-Fund's investments in transferable securities or money market instruments issued by, and deposits, derivatives instruments or efficient portfolio management techniques made with, any one issuer in accordance with Paragraphs 1, 3, 4 and 8 of the section entitled "Investments in any one Issuer" and Paragraph 2 and 5 of the chapter entitled "Use of Derivatives, Special Investment and Hedging Techniques" may under no circumstances exceed 35% of its net assets.

### ***Global Risk Exposure***

7. Except as otherwise stated therein, each Sub-Fund's global risk exposure relating to financial derivative instruments must not exceed such Sub-Fund's net assets. The Management Company reserves the right to apply more restrictive limits with respect to each Fund's risk exposure.

The Fund's global risk exposure is calculated by using the standard commitment approach. "Standard Commitment" approach means that each financial derivative instrument position is converted into the market value of an equivalent position in the underlying asset of that derivative taking account of netting and hedging arrangements. The Fund's global risk exposure is also evaluated by taking into account foreseeable market movements and the time available to liquidate the positions.

The Management Company must implement processes for accurate and independent assessment of the value of OTC Derivatives.

### ***Prohibited Transactions***

8. Each Sub-Fund is prohibited from engaging in uncovered short sales of financial derivative instruments.

### **Repurchase Agreements**

A repurchase agreement is an agreement involving the purchase and sale of securities with a clause reserving to the seller the right or the obligation to repurchase from the acquirer the securities sold at a price and term specified by the two parties in their contractual arrangement.

A Sub-Fund may enter into repurchase agreement transactions and may act either as purchaser or seller in repurchase agreement transactions or a series of continuing repurchase transactions under the following restrictions:

- A Sub-Fund may buy or sell securities using a repurchase agreement transaction only if the counter-party in such transactions is a financial institution specializing in this type of transactions and is subject to prudential supervision rules considered by the CSSF as equivalent to those set forth by Community law;
- During the life of a repurchase agreement, a Sub-Fund cannot sell the securities that are the object of the contract, either before the right to repurchase these securities has been exercised by the counterparty, or before the repurchase term has expired except to the extent the Sub-Fund has other means of coverage; and
- A Sub-Fund's level of exposure to repurchase agreement transactions must be such that it is able, at all times, to meet its redemption obligations.
- A Sub-Fund's counterparty risk arising from one or more securities lending transactions, sale with right of repurchase transaction or repurchase/reverse repurchase transaction vis-à-vis one same counterparty may not exceed:
  - 10% of the Sub-Fund's net assets if such counterparty is a credit institution having its registered office in the European Union or in a jurisdiction considered by the CSSF as having equivalent prudential supervision rules; or
  - 5% of the Sub-Fund's net assets in any other case.
- A Sub-Fund must ensure that is able at any time to terminate the repurchase transaction or reverse repurchase transaction or recall any securities or the full amount of cash subject to the repurchase transaction or reverse repurchase transaction, unless the transaction is entered into for a fixed term not exceeding seven days.

### **Securities Lending and Borrowing**

A Sub-Fund may enter into securities lending and borrowing transactions; provided that:

- The Sub-Fund may only lend or borrow securities either directly or through a standardized lending system organized by a recognized clearing institution or through a lending system organized by a financial



institution that specializes in this type of transactions that is subject to prudential supervision rules which are considered by the CSSF as equivalent to those set forth by Community law, in exchange for a securities lending fee;

- The Sub-Fund must ensure that it is able at any time to terminate the transactions or recall the securities that have been lent out;
- As part of lending transactions, the Sub-Fund must receive a collateral, the value of which at any time must be at least equal to 90% of the total value of the securities lent. Such a guarantee shall not be required if the securities lending is made through Clearstream Banking or EUROCLEAR or through any other organization assuring to the lender a reimbursement of the value of the securities lent, by way of a guarantee or otherwise;
- The risk exposures to a counterparty arising from OTC Derivative transactions and efficient portfolio management techniques should be combined when calculating the counterparty risk limits set forth in Paragraph 2 of the section entitled “Investments in any one issuer” of the chapter entitled “Use of Derivatives, Special Investments and Hedging Techniques” and the section entitled “Collateral Management” of the same chapter.

### **Collateral Management**

Collateral received by the Fund on behalf of a Sub-Fund must comply with the conditions imposed by applicable laws and regulations, notably in terms of liquidity, valuation, issuer credit quality, correlation and diversification, as well as any guidance issued from time to time by the CSSF in this respect.

The list of permitted types of collateral will be as described in the Prospectus.

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts depending, notably, of price volatility and the credit quality of the issuer of the collateral.

Non-cash collateral received by the Fund on behalf of a Sub-Fund cannot be sold, reinvested or pledged. Cash collateral can be reinvested in liquid assets permissible under Luxembourg law or regulations.

### **8. DETERMINATION OF THE NET ASSET VALUE PER UNIT**

The net asset value per unit of each class of units shall be calculated in the reference currency (as defined in the sales documents for the units) of the relevant Sub-Fund and, to the extent applicable within a Sub-Fund, expressed in the currency of quotation for the relevant class of units. It shall be determined as of any Valuation Day, or any Valuation Time during the course of a Valuation Day, by dividing the net assets of the Company attributable to each class of units, being the value of the portion of assets less the portion of liabilities attributable to such class, on any such Valuation Day, or any such Valuation Time during the course of a Valuation Day, by the number of units in the relevant class then outstanding, in accordance with the Valuation Rules set forth below. The net asset value per unit may be rounded up or down to the nearest unit of the relevant currency as the board of directors shall determine.

If since the time of determination of the net asset value there has been a material change in the quotations in the markets on which a substantial portion of the investments attributable to the relevant class of units are dealt in or quoted, the Company may, in order to safeguard the interests of the unitholders and the Company, cancel the first valuation and carry out a second valuation.

The valuation of the net asset value of the different classes of units shall be made in the following manner:

I. The assets of the Fund shall include:

- 1) all cash on hand or on deposit, including any interest accrued thereon;
- 2) all bills and demand notes payable and accounts receivable (including proceeds of securities sold but not delivered);
- 3) all bonds, time notes, certificates of deposit, units, stock, debentures, debenture stocks, subscription rights, warrants, options and other securities, financial instruments and similar assets owned or

contracted for by the Company (provided that the Company may make adjustments in a manner not inconsistent with paragraph (a) below with regards to fluctuations in the market value of securities caused by trading ex-dividends, ex-rights, or by similar practices);

- 4) all stock dividends, cash dividends and cash distributions receivable by the Fund to the extent information thereon is reasonably available to the Fund;
- 5) all interest accrued on any interest-bearing assets owned by the Fund except to the extent that the same is included or reflected in the principal amount of such asset;
- 6) the preliminary expenses of the Fund, including the cost of issuing and distributing units of the Fund, insofar as the same have not been written off;
- 7) all other assets of any kind and nature including expenses paid in advance.

The value of such assets shall be determined as follows:

- (a) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof.
- (b) The value of assets which are listed or dealt in on any stock exchange is based on the last available price on the stock exchange which is normally the principal market for such assets.
- (c) The value of assets dealt in on any other Regulated Market (as defined in Article 7 hereof) is based on the last available price.
- (d) In the event that any assets are not listed or dealt in on any stock exchange or on any other Regulated Market, or if, with respect to assets listed or dealt in on any stock exchange, or other Regulated Market as aforesaid, the price as determined pursuant to sub-paragraph (b) or (c) is not representative of the fair market value of the relevant assets, the value of such assets will be based on the reasonably foreseeable sales price determined prudently and in good faith.
- (e) The liquidating value of options contracts not traded on exchanges or on other Regulated Markets shall mean their net liquidating value determined, pursuant to the policies established by the board of directors, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward or options contracts traded on exchanges or on other Regulated Markets shall be based upon the last available settlement prices of these contracts on exchanges and Regulated Markets on which the particular futures, forward or options contracts are traded by the Fund; provided that if a futures, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the board of directors may deem fair and reasonable.
- (f) The value of money market instruments not listed or dealt in on any stock exchange or on any other Regulated Market and with a remaining maturity of less than 12 months and of more than 90 days is deemed to be the nominal value thereof, increased by any interest accrued thereon. Money market instruments with a remaining maturity of 90 days or less will be valued by the amortized cost method, which approximates market value.
- (g) Interest rate swaps will be valued at their market value established by reference to the applicable interest rates curve.
- (h) All other securities and other assets will be valued at fair market value as determined in good faith pursuant to the procedures established by the board of directors.

The value of all assets and liabilities not expressed in the reference currency of a Sub-Fund will be converted into such currency at rates last quoted by any major bank. If such quotations are not available, the rate of exchange will be determined in good faith by or under procedures established by the board of directors.

The board of directors, in its discretion, may permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset of the Company.

## II. The liabilities of the Fund shall include:

- 1) all loans, bills and accounts payable;
- 2) all accrued interest on loans of the Fund (including accrued fees for commitment for such loans);
- 3) all accrued or payable expenses (including but not limited to administrative expenses, management fees, incentive fees, depositary fees, and domiciliary agents' fees);
- 4) all known liabilities, present and future, including all matured contractual obligations for payments of money or property, including the amount of any unpaid dividends declared by the Fund;

- 5) an appropriate provision for future taxes based on capital and income to the Valuation Day or Valuation Time during the course of a Valuation Day, as determined from time to time by the Management Company, and other reserves (if any) authorized and approved by the board of directors, as well as such amount (if any) as the board of directors may consider to be an appropriate allowance in respect of any contingent liabilities of the Fund;
- 6) all other liabilities of the Fund of whatsoever kind and nature reflected in accordance with generally accepted accounting principles. In determining the amount of such liabilities the Management Company shall take into account all expenses payable by the Fund which shall comprise formation expenses, fees payable to its investment managers, investment advisers, fees and expenses payable to its auditors and accountants, depositary and its correspondents, domiciliary, administrative, registrar and transfer agent, listing agent, any paying agent, and permanent representatives in places of registration, as well as any other agent employed by the Management Company, insurance coverage, and reasonable travelling costs in connection with board meetings held by the Management Company in relation to the Fund, fees and expenses for legal and auditing services, any fees and expenses involved in registering and maintaining the registration of the Fund with any Governmental agencies or stock exchanges in the Grand Duchy of Luxembourg and in any other country, reporting and publishing expenses, the costs for the publication of the issue, conversion and redemption prices, including the cost of preparing, printing, translating, advertising and distributing prospectuses, explanatory memoranda, periodical reports or registration statements, the costs of printing unit certificates and the costs of any reports to unitholders, all taxes, duties, governmental and similar charges, and all other operating expenses, including the cost of buying and selling assets, interest, bank charges and brokerage, postage, telephone and telex. The Management Company may accrue administrative and other expenses of a regular or recurring nature based on an estimated amount ratably for yearly or other periods.

### III. The assets shall be allocated as follows:

The board of directors of the Management Company shall establish a Sub-Fund in respect of each class of units and may establish a Sub-Fund in respect of multiple classes of units in the following manner:

- (a) If multiple classes of units relate to one Sub-Fund, the assets attributable to such classes shall be commonly invested pursuant to the specific investment policy of the Sub-Fund concerned provided however, that within a Sub-Fund, the board of directors of the Management Company is empowered to define classes of units so as to correspond to (i) a specific distribution policy, such as entitling to distributions or not entitling to distributions and/or (ii) a specific sales and redemption charge structure and/or (iii) a specific management or advisory fee structure, and/or (iv) a specific assignment of distribution, unitholder services or other fees and/or (v) the currency or currency unit in which the class may be quoted and based on the rate of exchange between such currency or currency unit and the reference currency of the relevant Sub-Fund and/or (vi) the use of different hedging techniques in order to protect in the reference currency of the relevant Sub-Fund the assets and returns quoted in the currency of the relevant class of units against long-term movements of their currency of quotation and/or (vii) such other features as may be determined by the board of directors from time to time in compliance with applicable law;
- (b) The proceeds to be received from the issue of units of a class shall be applied in the books of the Fund to the class or classes of units issued in respect of such Sub-Fund, and, as the case may be, the relevant amount shall increase the proportion of the net assets of such Sub-Fund attributable to the class of units to be issued;
- (c) The assets, liabilities, income and expenditure attributable to a Sub-Fund shall be applied to the class or classes of units issued in respect of such Sub-Fund, subject to the provisions here above under (a);
- (d) Where any asset is derived from another asset, such derivative asset shall be attributable in the books of the Fund to the same class or classes of units as the assets from which it was derived and on each revaluation of an asset, the increase or decrease in value shall be applied to the relevant class or classes of units;
- (e) In the case where any asset or liability of the Fund cannot be considered as being attributable to a particular class of units, such asset or liability shall be allocated to all the classes of units pro rata to their respective net asset values or in such other manner as determined by the board of directors of the Management Company acting in good faith, provided that (i) where assets, on behalf of several Sub-Funds are held in one account and/or are co-managed as a segregated pool of assets

by an agent of the board of directors of the Management Company, the respective right of each class of units shall correspond to the prorated portion resulting from the contribution of the relevant class of units to the relevant account or pool, and (ii) the right shall vary in accordance with the contributions and withdrawals made for the account of the class of units, as described in the sales documents for the units of the Fund;

- (f) Upon the payment of distributions to the holders of any class of units, the net asset value of such class of units shall be reduced by the amount of such distributions.

All valuation regulations and determinations shall be interpreted and made in accordance with generally accepted accounting principles.

In the absence of bad faith, gross negligence or manifest error, every decision in calculating the net asset value taken by the board of directors of the Management Company or by any bank, company or other organization which the board of directors of the Management Company may appoint for the purpose of calculating the net asset value, shall be final and binding on the Fund and present, past or future unitholders.

IV. For the purpose of this article:

- 1) units of the Fund to be redeemed by any Unitholder shall be treated as existing and taken into account until immediately after the time specified by the board of directors on the Valuation Day on which such valuation is made and from such time and until paid by the Fund the price therefore shall be deemed to be a liability of the Fund;
- 2) units to be issued by the Fund shall be treated as being in issue as from the time specified by the board of directors on the Valuation Day on which such valuation is made and from such time and until received by the Fund the price therefore shall be deemed to be a debt due to the Fund;
- 3) all investments, cash balances and other assets expressed in currencies other than the reference currency of the relevant Sub-Fund shall be valued after taking into account the market rate or rates of exchange in force at the date and time for determination of the net asset value of units; and
- 4) where on any Valuation Day or Valuation Time during the course of a Valuation Day the Management Company has contracted to:
  - purchase any asset, the value of the consideration to be paid for such asset shall be shown as a liability of the Fund and the value of the asset to be acquired shall be shown as an asset of the Fund;
  - sell any asset, the value of the consideration to be received for such asset shall be shown as an asset of the Fund and the asset to be delivered shall not be included in the assets of the Fund;

provided however, that if the exact value or nature of such consideration or such asset is not known on such Valuation Day, or such Valuation Time during the course of a Valuation Day, then its value shall be estimated by the Company.

## **9. DISTRIBUTION POLICY**

(a) The Management Company shall determine how the income of the relevant Class of Units of each Sub-Fund shall be disposed of, and declare from time to time distributions in the form of cash or Units upon such terms and conditions as may be set forth by the Management Company.

(b) All distributions may be paid out of the net investment income available for distribution, capital gains and, if deemed appropriate, capital at such frequency as shall be determined by the Management Company. Interim dividends may be paid if and when decided by the Management Company in compliance with both the prospectus and applicable law. In any event, no distribution may be made if, as a result, the net asset value of the Fund would fall below the equivalent of €1,250,000.

(c) Dividends not claimed within five (5) years of their due date will lapse and revert to the Fund.

(d) Unitholders will not receive any interest on a distribution declared by the Management Company.

## 10. DURATION AND LIQUIDATION OF THE FUND OR ANY CLASS OF UNITS

- (a) The Fund has been established for an unlimited period.
- (b) The Management Company may dissolve the Fund, any Sub-Fund or Class if the Management Company determines that (i) it no longer is in the best interest of the Unitholders to continue to manage the assets as provided in the Prospectus, (ii) it no longer is economically efficient for the Management Company to manage the assets as provided in the Prospectus, or (iii) as otherwise provided in the Prospectus.
- (c) The Management Company will not issue, redeem or transfer Units at any time after it has made the decision to dissolve the Fund, any Sub-Fund or Class, as the case may be; provided, however, that the Management Company may redeem all or part of the Units held by a Unitholder, at the Unitholder's request, provided that the Management Company deducts from the redemption proceeds a pro rata portion of the estimated expenses to be incurred by the Fund or allocated to the Fund or Class.
- (d) The Management Company will publish its decision to dissolve the Fund, any Sub-Fund or Class as it determines in the best interest of the Unitholders of the Fund or Class.
- (e) In the event of dissolution, the Management Company will sell the assets of the Fund or Sub-Fund in the best interests of the Unitholders thereof, and upon instructions given by the Management Company, the Depositary will distribute the net proceeds from such liquidation, after deducting all expenses relating thereto, among the Unitholders of the Fund, Sub-Fund or Class of Units in proportion to the number of Units of the relevant Class held by each Unitholder. The Management Company may distribute the assets of the Fund, Sub-Fund or Class of Units wholly or partly in kind to any Unitholder who agrees in compliance with the conditions set forth by the Management Company, including, without limitation, delivery of an independent valuation report from the auditor of the Fund and the principle of equal treatment of Unitholders.
- (f) At the close of liquidation of the Fund, Sub-Fund the proceeds thereof corresponding to Units not surrendered will be kept in safe custody at the *Caisse de Consignation* in Luxembourg until properly claimed or the statute of limitations relating thereto has elapsed.
- (g) At the close of liquidation of any Class of Units, the proceeds thereof corresponding to Units not surrendered may be kept in safe custody with the Depositary during a period not exceeding six (6) months as from the date of the close of the liquidation; after this delay, these proceeds shall be kept in safe custody at the *Caisse de Consignation*.

## 11. MERGER OF THE FUND OR ANY SUB-FUND WITH OTHER SUB-FUNDS OR UCIs

The Management Company may, at any time and on terms and conditions as notified to the Depositary, merge the Fund or any Sub-Fund with another undertaking for collective investment ("UCI") or another compatible sub-fund provided that:

- (a) The investment objective and policies of such other UCI or sub-fund are compatible with the investment objective and policies of the Fund or Sub-Fund;
- (b) Unitholders are given at least one-month's notice prior to such cancellation and allocation; and
- (c) Unitholders of the Fund or Sub-Fund, the Units of which shall be cancelled, shall have the right during such one-month period to request the redemption or conversion of all or part of their Units at the applicable net asset value per Unit. At the expiration of that period, the decision to cancel Units of the Fund or Sub-Fund shall be binding upon all Unitholders who have not requested the redemption or conversion of all or part of their Units.

If the Management Company determines to merge, consolidate or transfer substantially all of the Fund's assets, the Management Company will publish that determination in the *Recueil Electronique des Sociétés et Associations* (the "RESA") and as otherwise required by Luxembourg law.

## 12. OTHER

(a) The Management Company may, in accordance with Luxembourg law, make such amendments to these Management Regulations as it may deem necessary in the interest of the Unitholders. These amendments shall be effective as per the date of the publication in the RESA of the indication of the filing of the amended Management Regulations with the Register of Commerce and Companies or as per any later date to be determined by the Management Company in the best interest of the Unitholders and specified in such publication.

(b) These Management Regulations shall be governed by and subject to the laws of the Grand Duchy of Luxembourg.

(c) Any claim arising between the Unitholders, the Management Company and the Depositary shall be settled according to the laws of the Grand Duchy of Luxembourg and subject to the exclusive jurisdiction of the District Court of Luxembourg.

(d) The Management Company may, in its sole discretion, publish these Management Regulations in a language other than English, provided, however, that in the event of any discrepancy between the English version and the version in another language, the English version shall control.

Executed in three originals and effective as of 20 November 2017.

Natixis Investment Managers S.A.

Brown Brothers Harriman (Luxembourg) S.C.A.

By: \_\_\_\_\_  
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Title:

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