

## SRI certification for Ostrum AM Credit funds

### Credit funds certified with the French SRI Label\*

**Two credit funds** have been newly awarded the French public SRI certification with the latest, more stringent “V2 framework”.



Achieving SRI accreditations for our open-ended funds is one of the milestones of our CSR policy, fully embedded in our DNA. With these new certifications, Ostrum AM extends its SRI credit product range which now includes 5 funds with the French “Label ISR” representing **€ 3.2 bn assets under management, all styles and maturities**. It gives investors the opportunity to access the variety of sustainable credit strategies.

**The funds are Article-8 SFDR funds:** it promotes environmental or social characteristics but does not have as its objective a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.

Figures mentioned refer to previous years. Past performance does not guarantee future results.

- **NOW SRI CERTIFIED! Ostrum SRI Credit Ultra Short Plus** (previously Ostrum Ultra Credit Short Plus)

Very short-term credit fund with a near-zero duration, conviction-based, inspired from the money market management in a crossover universe

**AuM € 1 bn; 3-y sharpe ratio 0.37%**

French FCP registered for sale in Belgium, Finland, France, Italy, Norway, Spain, Sweden

- **NOW SRI CERTIFIED! Ostrum SRI Credit Short Duration** (previously Ostrum Euro Short Term Credit)

Credit fund mainly Investment Grade with a short duration

**AuM € 700 mn; 3-y sharpe ratio -0.23%**

Luxembourg SICAV registered for sale in Belgium, France, Germany, Italy, Luxembourg, Netherlands, Portugal, Spain, Switzerland, United-Kindom

- **Ostrum ISR Obli Crossover**, *already certified*

Bring additional carry with a reduced duration risk, by combining Investment Grade and High Yield investments

**AuM € 168 mn; 3-y sharpe ratio -0.27%**

French FCP registered for sale in Finland, France, Luxembourg, Norway, Spain, Sweden, Switzerland, United-Kindom

- **Ostrum SRI Credit 12M** (previously Ostrum ISR 12-18 mois), *already certified*

Investment Grade credit fund with a near-zero duration

**AuM € 1.1 bn; 3-y sharpe ratio -0.15%**

French FCP registered for sale in Finland, France, Italy, Norway, Sweden

- **Ostrum SRI Credit Euro** (previously Ostrum SRI Obli Credit), *already certified*

All-maturity credit fund, a pure strategy centered on the credit value-added

**AuM € 242 mn; 3-y sharpe ratio -0.50%**

French FCP registered for sale in Belgium, France, Germany, Italy, Luxembourg, Netherlands, Spain, Switzerland

\* Reference to a ranking, prize, label and/or rating does not indicate the future performance of the fund. These funds are established in France and approved by the French AMF, or domiciled in Luxembourg and approved by the CSSF. Natixis Investment Managers International is the management company and has delegated financial management to Ostrum AM.

## 1. Integration of ESG material elements into our research

The credit research output is a **Fundamental Credit Score** for each issuer, composed of 4 indicators: 1/ Long-term fundamental score, 2/ Liquidity score, 3/ 12 to 18-month outlook score with an event risk assessment, 4/ ESG Materiality score considering ESG factors when they have a material impact on the credit fundamental risk.

**Focus on ESG materiality score:** environment (E), social (S) and governance (G) elements are integrated at all stages of our analysis because they may affect sectors' or the companies' business model, and as such they may have a material impact on its financial condition today or in the future. The objective is to raise portfolio managers' awareness that a company business or industry with marked ESG factors undergoes or not credit implications, which is a valuable information for the investment decision.

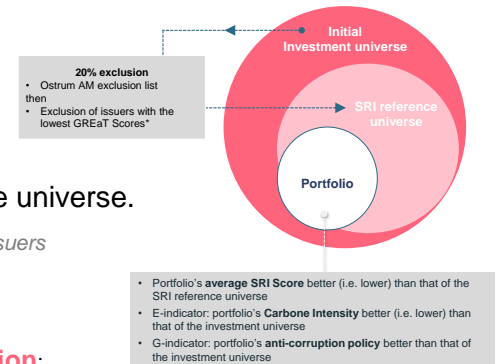
In addition, we also have on **proprietary methodology to analyse sustainable bonds** which aims to identify and monitor use of proceeds and financed projects, in relation with environmental or social issues.

*ESG integration refers to the inclusion of ESG issues in investment analysis and decisions. Approach to ESG integration varies based on the funds. ESG integration does not necessarily imply that investment vehicles also seek to generate a positive ESG impact. Included in all strategies but ABS and RTO.*

## 2. SRI selectivity process in line with the French SRI Label requirements

In addition to ESG integration in fundamental analyses, the investment teams use the extra-financial rating **GREaT\*** to determine the eligible investment universe: responsible **G**overnance, sustainable human & natural **R**esources, **E**nergy transition and **T**erritories development\*. The fund must have a better average ESG rating than that of the SRI reference universe.

\*extra-financial rating methodology from La Banque Postale Asset Management to evaluate ~9000 issuers



## 3. Ostrum SRI Credit Ultra Short Plus & Ostrum SRI Credit Short Duration: des objectifs ESG intégrés au processus d'investissement

The "Version 2" of the French SRI Label requires that the fund communicates on 4 indicators, 2 with threshold limits. For these 2 credit funds, we have selected what we consider to be the most relevant indicators for the funds, with available data:

- **Environmental Indicator: Carbon Intensity**

*Threshold limit: coverage of 90% and must be better (i.e. lower) than that of the investment universe*

- **Governance Indicator: Business ethics/anticorruption policy**

*Threshold limit: coverage of 70% and must be better than that of the investment universe*

- **Social Indicator: Employees' satisfaction survey**

- **Human Rights Indicator: Protection policy towards whistleblowers**

These 4 indicators are communicated in the ESGDH (ESG Human Rights) report.

As an example, Ostrum SRI Credit Ultra Short Plus **Carbon Intensity is 15% lower** than that of the investment universe: 151.95 tCO2/M\$ CA vs 175.01 tCO2/M\$ CA for the investment universe, as of end-May 2022 (source Ostrum AM).

**Funds' main risks:** capital loss, interest rates, credit, liquidity, counterparties, financial forward contracts, derivatives, issuers with low rating or no rating, sustainability risk. The 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. More information on the framework related to the incorporation of Sustainability can be found on the website of the Management Company and the Delegated Investment Manager.

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## Additional notes

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