

Essential Infra Debt Fund

DOCUMENT INTENDED EXCLUSIVELY FOR PROFESSIONAL CLIENTS (IN ACCORDANCE WITH MIFID)

FUND PROFILE

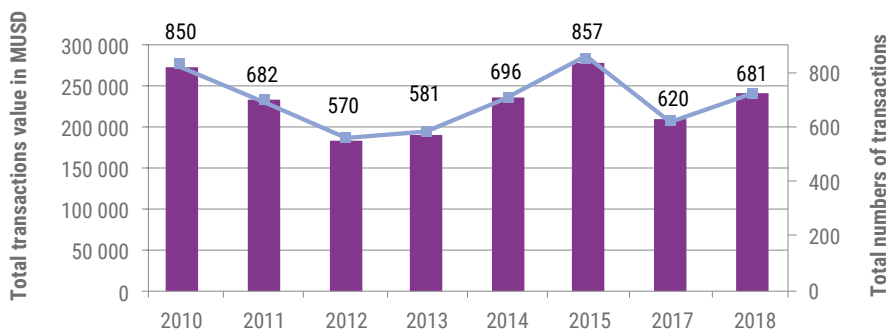
Long term buy-and-hold senior secured¹ infrastructure debt fund focused on energy transition across Europe, North America and Australia

WHY INVEST IN INFRASTRUCTURE DEBT?

Global market, growth sector

- Access to \$250 billion global infra debt market with over 600 new transactions per annum³
- Diversification across infra debt sources, including road, rail, hospital, schools, wind and solar farms³
- Focused on the dynamic regions of Europe and the Americas, which make up 70% of the market³
- Renewables is a growth sector, having expanded by 6.5 times since 2005³

A STABLE GLOBAL DEBT MARKET



Source: Infrastructure Journal and Ostrum AM

The Fund seeks to provide stable income and low correlation for investors

- High visibility on long-term cashflows provides predictable income
- Seeks a superior risk-adjusted returns, with historically low default rate (average 0.56% per annum since 2005) and a historically high recovery rate of 77% per annum²
- **Stable:** low volatility of debt valuation
- **Seeks diversification:** low correlation with traditional fixed income

OSTRUM, A PRIVATE DEBT REAL ASSETS INVESTMENT SPECIALIST

Ostrum Asset Management provides institutional clients with long-term investment opportunities, secured by real assets, in three main areas: real estate, aircraft and infrastructure. The Private Debt Real Assets department has €1.25 billion in AUM, through commingled funds or mandates, and a target of €6 billion in 2020.

The team relies on 10 seasoned investment professionals with longstanding banking backgrounds who bring extensive knowledge on each underlying market and relevant skills in sourcing, credit analysis, transactions structuring and portfolio management.

Ostrum¹
ASSET MANAGEMENT

FUND PRINCIPAL



Céline Tercier

Head of Infrastructure Finance, Ostrum Asset Management

20 years' experience
Tel: +33 (0)1 78 40 99 58
Email: celine.tercier@ostrum.com

BBB⁻²

10 years equivalent probability of default

77%
recovery rate²

13.55%

10-year duration Solvency II Capital Requirement (SCR spread) debt investment in qualifying infrastructure entitled to lower capital charges

OSTRUM ASSET MANAGEMENT

Ostrum Asset Management has been committed to helping clients to provide for their future for more than 30 years. Ostrum Asset Management is a leading asset manager in Europe that provides a full range of high-performance fixed income, equity and insurance investment management strategies, with an active and fundamental approach.

(1) Note: The security is on the loans rather than the fund itself.

(2) Source: Moody's default and recovery rates for project finance bank loans study dated of March 5, 2018.

(3) Source: Infrastructure Journal and Ostrum AM

KEY COMPETITIVE ADVANTAGES OF ESSENTIAL INFRA DEBT FUND

• Experienced Management team

- These former lending-side bankers have over 20 years of experience, structuring more than 300 transactions with only five defaults and 100% recovery rate
- Pioneers in infrastructure debt mandates with over \$5 billion committed

• Broad sourcing and direct lending capacity

- Proprietary pipeline of 400 transactions to close by 2020
- Strong network including roughly 100 banks, advisors and sponsors, either generalist, regional or sectorial to achieve strong selection and diversification
- Capacity to source unique opportunities in Europe, the US, Canada and Australia

• Investment style:

- A unique portfolio methodology aiming to diversify risk factors and mitigate overall risk
- Two external proven methodologies to assess default rate and recovery rate

ESSENTIAL INFRA DEBT FUND (for indicative purposes)

Legal structure	Closed ended Luxembourg RAIF, Sub-fund of Ostrum Debt SCS RAIF (Common Limited Partnership)
Management company (AIFM)	Ostrum Asset Management
Targeted assets	Senior secured debt
Targeted size	€500 million
Minimum investment	€20 million
Fund term	30 years
Investment period	2 years + 1+ 1 year extension
Currency	EUR interests or USD hedged interests
Sector focus	Energy and ecological transition assets : min 75% Excluded sub-sectors : Oil, gas, coal and nuclear
Geographic focus	Core Europe including UK (limited to 15%) with a 30% limit on Southern and Eastern countries. Core OECD (30% max) i.e. USA, Canada, Australia
Greenfield/Brownfield	Maximum 30% of greenfield
Portfolio expected WAL	10 years
Target Gross Average Spread of the portfolio/Target gross return of the portfolio	2% p.a./3% euro base
Interest rate	Mostly fixed
Management fees	• Set-up fee:50% of upfront fees paid by borrower • Management fee: 40 bps p.a. of outstanding assets. 10bps discount for First Closing investors or ticket above \$100Mn
Main risks	Loss of capital, performance of assets (especially construction risk and merchant revenue risk), illiquidity, risks associated with the deployment of the fund, general counterparty, macro-economic, general taxation, impacts of governmental regulation and legislative changes. For more information, please refer to the Information Memorandum

* Based on financial assumptions. These do not constitute a contractual commitment from Ostrum AM and shall not engage its responsibility. Investments in real asset portfolios are reserved for specific investors, as defined by their respective regulatory documentation, and are mainly subject to loss of capital risk. The characteristics, fees and risk return profile connected to investment in this fund might be modified. Ostrum AM reserves the right to modify the information presented at any time without notice, and in particular anything relating to the description of the investment process, which under no circumstances constitutes a commitment from Ostrum AM.

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EXAMPLES OF POTENTIAL INVESTMENT OPPORTUNITIES



Rail in Core Europe



Photovoltaic farm in Southern Europe



Offshore Wind Farm in Core Europe



Hospital in OECD

NATIXIS INVESTMENT MANAGERS

Natixis Investment Managers serves financial professionals with more insightful ways to construct portfolios. Powered by the expertise of 26 specialized investment managers globally, we apply **Active ThinkingSM** to deliver proactive solutions that help clients pursue better outcomes in all markets. Natixis ranks among the world's largest asset management firms¹ (€846.5 billion AUM²).

Natixis Investment Managers includes all of the investment management and distribution entities affiliated with Natixis Distribution, L.P. and Natixis Investment Managers S.A. Services/products are not available to all investors in all jurisdictions.

1. Cerulli Quantitative Update: Global Markets 2018 ranked Natixis Investment Managers (formerly Natixis Global Asset Management) as the 16th largest asset manager in the world based on assets under management (\$877,1 billion) as of December 31, 2017.
2. Net asset value as of 30/06/2018

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Ostrum Asset Management

An affiliate of Natixis Investment Managers
Société Anonyme
Share capital €27 772 359
Regulated by the Autorité des Marchés Financiers (AMF) under no. GP 18000014
RCS Paris n° 525 192 753
43 avenue Pierre Mendès France 75013 Paris
www.ostrum.com

Natixis Investment Managers

RCS Paris 453 952 681
Share Capital: €178 251 690
43 avenue Pierre Mendès France 75013 Paris
www.im.natixis.com