

INTRODUCTION TO OSTRUM AM'S MONEY MARKET EXPERTISE

We observe during uncertain market environments a stronger appetite for money market strategies from certain investors such as fund selectors or private banks.

They wish to use money market funds as waiting solutions. Thereby they pay particular attention to the credit quality of the portfolios in order to select the most conservative solutions.

Ostrum AM, a historical player in managing Euro Money Market strategies, has a long experience in this asset class.

Which money market strategies does Ostrum AM manage?

Ostrum AM manages **two standard money market strategies** and **two short-term money market strategies** which account for more than €24bn of assets under management as of end of March 2020.

All four strategies are denominated in euro.

I. Short-Term Money Market Strategies

- **Defensive Short-Term Money Market:** The Weighted Average Life (WAL) is set at maximum 90 days. The WAL is our favourite measure for credit risk when it comes to Money Market strategies. The strategy is rated AAmmf by FitchRatings, which outlines a high credit quality. It corresponds to our most defensive money market strategy.
- **Traditional Short-Term Money Market:** The Weighted Average Life (WAL) is set at maximum 120 days.

II. Standard Money Market Strategies

- **SRI Standard Money Market:** The Weighted Average Life (WAL) is set at maximum 9 months. Responsible investment seems to become an increasingly important selection criterion in the choice of money market vehicles. An example, SRI money market funds may allow CFOs to respond to the development of their companies' CSR policies.
- **Traditional Standard Money Market:** The Weighted Average Life (WAL) is set at maximum 12 months.

What is Ostrum AM's money market philosophy?

Before the yield, the most important aspect of our money market philosophy is to seek capital preservation.

Our money market investment universe is built according to a rigorous investment process and is the same for each of our money market strategies. Credit analysts and credit risk officers play an active and crucial role in the issuer selection.

In addition, we adopt a selective approach in terms of geographies. We aim to select issuers in countries with solid fundamentals: Countries from the European Economic Area (excluding former countries from Eastern Bloc and peripheral countries having too weak fundamentals), Switzerland, United States, Canada, Australia, Japan and New Zealand.

What is your credit rating policy for securities?

All our money market strategies are exclusively invested in securities with a minimum short-term rating considered as “High credit quality” as defined by the European Financial Regulator. The exposure to High Yield issuers at time of purchase is not allowed.

One specificity of our most defensive short-term money market strategy is that it may not invest in securities with a credit rating below F1 (FitchRatings), A1 (S&P) or P1 (Moody’s). In addition, the strategy is rated AAmmfs by FitchRatings, which implies strict and regular monitoring by the rating agency.

Presentation of the money market investment team

The Money Market team is composed of three portfolio managers, including Alain Richier, and one assistant portfolio manager.

The Money Market investment team benefits from firm-wide resources: Credit analysts, Economist, Strategists and Financial Engineers. Additional resources include the ten fixed income dealers of Ostrum AM’s wholly-owned subsidiary, Natixis Asset Management Finance.

Finally, the product specialists act as a proxy for fund managers for several matters such as sales, marketing or communication with one clear goal: allowing fund managers to focus on their investments.

The resources supporting the investment process are summarized in the organization chart.



Source: Ostrum AM, as of March 31, 2020 (no. of investment professionals)

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LEGAL INFORMATION

OSTRUM ASSET MANAGEMENT

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Limited company with a share capital of 27 772 359 euros – Trade register n°525 192 753 Paris – VAT: FR 93 525 192 753
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The money market strategy is not a guaranteed investment. An investment in a money market strategy differs from investing in deposits. The risk of capital invested in a money market strategy can fluctuate. The risk of loss of capital is carried by the investor. The money market strategy does not rely on external support to guarantee its liquidity or to stabilize its net asset value per unit or share.

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Siège social : 43, avenue Pierre Mendès France 75013 Paris

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