NATIXIS INVESTMENT MANAGERS

NATIXIS INVESTMENT MANAGERS INTERNATIONAL

UCITS under French law

OSTRUM SRI CREDIT EURO 1-3

The UCITS is a feeder fund for the master UCI,

OSTRUM SRI CREDIT SHORT DURATION

ANNUAL REPORT as at 30 June 2023

Management Company: Natixis Investment Managers International

Depositary: Caceis Bank

Statutory Auditor: Deloitte & Associés

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■ Management policy

The OSTRUM SRI CREDIT EURO 1-3 Fund/Sub-funds invests all its assets in SI/D units/shares of the master UCI OSTRUM SRI CREDIT SHORT DURATION and, on an ancillary basis, in cash.

The past year has been marked by high inflation forcing the central banks to implement unprecedented monetary tightening in an attempt to curb it. This resulted in a slowdown in global growth and a technical recession in the eurozone, due to the hike in energy prices following the outbreak of the war in Ukraine.

In the financial markets, the faster and stronger tightening of monetary policy caused a sharp, sudden spike in interest rates, notably on the short part of the yield curve.

Risky assets started 2023 on a positive note while inflation slowed on both sides of the Atlantic. Data showed continuing strong growth in the United States while surveys suggested that the eurozone would avoid recession, in addition to the expected upturn in Chinese growth. This momentum was brought to a screeching halt on 10 March with the announcement of the collapse of three US regional banks in the space of one week and the forced takeover of Credit Suisse by UBS. Fears of a systemic crisis quickly evaporated due to the extensive measures taken by the Fed and the US Treasury, causing the markets to bounce back rapidly.

On the credit market, spreads were volatile and, linked to SVB and Credit Suisse's defaults, financial instability led to a major reassessment of credit risk, and more specifically of financial institution receivables and subordinated debts. Credit spreads in the financial sector widened to 58 bp and 87 bp in the case of investment-grade subordinated debt before returning to the levels seen at the start of the year.

After a strong rally in April, credit spreads stabilised until the end of the second quarter, buoyed by large capital inflows and asset class carry. Year on year, spreads of investment-grade securities in euros relative to swaps narrowed by 56 bp, falling from 140 bp in July 2022 to 94 bp at the end of June 2023.

Management comments

In the third quarter of 2022, the strategy reduced the credit overweighting to take into account the following elements:

- Reduced technical support with continuing capital outflows outside the credit asset class since January.
- Weaker support from the ECB in the euro credit market.
- The rise in inflation and the risk that a recession would not lead to a decompression of spreads.

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Overall exposure of funds to the DTS, including to assets held for diversification such as high-yield securities, was maintained within a range of [137%; 107%].

In September, we reduced the credit overweighting by reducing the DTS from 137% at the end of August to 107% in view of higher inflation expectations and the decreasing gas supply. The share of directional credit was reduced through the purchase of protection on the Itraxx Xover index. Lastly, as regards interest rate risk, managers decided to maintain an interest rate sensitivity lower than that of the reference benchmark (between 80 and 100%) at 90% on average.

In accordance with its investment process, Euro Short Term Credit can invest up to 15% of its assets under management in non-investment grade securities, including high-yield securities. The exposure of the cash-based bonds portfolio to high-yield securities was managed at a level of around 10% over the quarter. However, this exposure in terms of DTS was partially covered through the Itraxx Xover index.

In the last quarter of 2022, the strategy maintained a prudent approach to the credit market. Overall exposure to the DTS, including diversification assets such as high-yield securities, was maintained within a range of [100%; 130%]. From November, we increased credit risk and raised the DTS to 122% at the end of December. The share of directional credit was increased through the sale of protection on the Itraxx Xover index. Lastly, as regards interest rate risk, we decided to maintain an interest rate sensitivity lower than that of the reference benchmark (between 90 and 100%) at 95% on average. Euro Short Term Credit managed the exposure of its cash-based bonds portfolio to high-yield securities at a level of around 10% during the quarter. At the end of December, the portion of assets held for diversification was composed of high-yield bonds (10%), UCITS invested in high-yield securities (3.8%) and ABS funds (4.2%).

During the first two months, the strategy strengthened its credit overweighting to take into account the attractive level of spreads, yield and carry, the strong fundamentals of the investment grade segment and the favourable results season, which provided support to risky assets. Overall exposure of funds to the DTS, including to assets held for diversification such as high-yield securities, was maintained within a range of [117%; 262%].

In terms of positioning on credit, the slight overweighting in the strategy at the start of January was rapidly increased to partial overweighting via the primary market. The credit DTS was thus managed within a range of [117% to 262%] in January and then in a range of [185% to 238%] in February with an average of 215%. Following that, the credit overweighting was gradually reduced with a DTS below 200% in the last week in February due to a less attractive absolute valuation level. The reduction in directional credit was implemented through the purchase of protection on the Itraxx Subordinated Financial and Itraxx Xover indices, and also through profit-taking on high-beta issues (Crédit Agricole AT1 bonds, hybrid debts of Iberdrola, Enel and EDP).

In March, the overweighting was reduced from 193% to 146% while the financial system was put to the test by SVB's default and the significant disposals suffered by Credit Suisse. The exposure to the Credit Suisse CoCo Tier 2 debt was sold due to excessively high resolution risk. In its place, we invested in Credit Suisse SNP debt averaging an extremely low price and a much higher probability of recovery. This strategy ultimately limited the negative impact of the correction of CoCo Tier2 bonds. The takeover by UBS led to a significant tightening of the risk premium on Credit Suisse senior debts, which paved the way for the exceptional performance of SNP debts. During this period, credit exposure was reduced to a DTS of 164%,

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before then being increased to 210% to profit from attractive valuation levels particularly in the financial sector, while the banking sector benefited from strong support from the central banks with a view to its stabilisation. The Fund's interest rate sensitivity was managed within a range of between [86%; 102%] with an average of 95% over the quarter. In March, the rush on safe-haven assets, which resulted in a -1.2% drop in German 2-year rates from 3.36% to 2.10% had an adverse effect on the strategy.

The portfolio's exposure to high-yield securities was managed at a level of 16% during the quarter. At the end of March, the diversification portion was composed of high-yield bonds (12%), UCITS invested in high-yield debt (4.0%) and ABS funds (4%).

In the second quarter of 2023, risky assets, including euro investment-grade and high-yield indices, performed well in April, again buoyed by sound results. In terms of credit positioning, the strategy followed the trend and slightly reduced its overweighting measured by the DTS from 213% to 201% in April and 174% in May. At the end of June, the strategy maintained a credit overweighting, with a DTS of 153% compared to its reference benchmark. In terms of modified duration, the strategy's duration was underweighted, within a range of [90%; 98%] over the last quarter. High-yield exposure was increased to 18%, composed of high-yield cash-based bonds (14%) and UCITS invested in high-yield securities (4%).

Performance

Between July 2022 and June 2023, the master fund recorded gross performance of +0.78%, outperforming its reference benchmark, the Bloomberg Euro Aggregate Corporate 1-3 years, by 58 bp. After deducting expenses on I/C units in euros, performance was +0.37%, 17 bp higher than that of the reference benchmark.

The performances of the feeder funds compared with their benchmark were as follows:

FR0011071778 (R C EUR)	0.017%	0.199%
FR0011068642 (I C EUR)	0.32%	0.199%
FR0011071273 (I D EUR)	0.32%	0.199%
FR0013307634 (N C EUR)	0.328%	0.199%

Past performance is no guarantee of future results.

1. Management report

b) Information regarding the UCI

■ Main changes to the portfolio during the financial year

Securities	Changes (“Accounting currency”)	
	Purchases	Sales
OSTRUM EURO ST CRED SI/D (EUR) DIS	6,420,519.76	90,707,016.22

■ Material changes occurring during the financial year and in the future

There were no material changes to this UCI.

■ Index-linked UCI

This UCI is not classified as an index-linked UCI.

■ Alternative funds of funds

This UCI is not classified as an alternative fund of funds.

■ SFTR in EUR

The UCI did not conduct any transactions during the financial year that fell within the scope of the SFTR.

■ Access to documentation

The legal documentation for the Fund (KIID, prospectus, periodic reports etc.) is available from the Management Company at its head office or from the following email address: **ClientServicingAM@natixis.com**

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c) Information regarding risks

■ Overall risk calculation method

The Management Company uses the commitment method to measure the overall risk of this Fund.

■ Exposure to securitisation

This UCI has no exposure to securitisation.

■ Risk management

None.

■ Cash management

None.

■ Handling of non-liquid assets

This is not relevant to this UCI.

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d) Environmental, social and governance (ESG) criteria

How ESG criteria are taken into account in the investment process is described in detail in the pre-contractual document appended to the Fund's prospectus.

Information on the Taxonomy Regulation (EU) 2020/852: Article 8

Pursuant to Article 50 of the SFDR Level 2 Delegated Regulation, information about the environmental or social characteristics promoted by the financial product is available in an annex to this report.

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e) French Law on Energy and Climate

This UCI is not subject to the regulation implementing *Loi n°2019-1147 relative à l'énergie et au climat* (French Law No. 2019-1147 on energy and climate).

2. Governance and compliance commitments

■ Procedure for selecting and assessing intermediaries and counterparties – Order execution

For the Management Company to meet its best execution obligation, the selection and monitoring of fixed income intermediaries, stockbrokers and counterparties are governed by a specific process.
The Management Company's policy regarding the selection of intermediaries/counterparties and order execution is available online at: https://www.im.natixis.com/intl/resources/policy-best-execution-best-selection.

■ Voting policy

Details of the conditions under which the Management Company intends to exercise the voting rights associated with securities held in the portfolio by the fund it manages, as well as the latest annual report, are available from the company's registered office, or online at: https://www.im.natixis.com/intl/resources/natixis-investment-managers-international-report-on-voting-rights.

■ Remuneration policy of the delegating management company

This NIMI remuneration policy consists of general principles applicable to all employees (see point I), specific principles applicable to employees identified by AIFM and UCITS V (see point II) and a governance mechanism applicable to all employees (see point III).
It falls under the remuneration policy defined by Natixis and is established in compliance with the provisions relating to remuneration stipulated in the following regulatory texts, as well as the guidelines of the European Securities and Markets Authority (ESMA) and the positions of the French Financial Markets Authority (Autorité des Marchés Financiers – AMF) resulting therefrom:

- Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers, transposed into the French Monetary and Financial Code by Order No. 2013-676 of 27 July 2013 ("AIFM Directive").
- Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 on undertakings for collective investment in transferable securities (UCITS), transposed into the French Monetary and Financial Code by Order No. 2016-312 of 17 March 2016 ("UCITS V Directive").
- Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, transposed into the French Monetary and Financial Code by Order No. 2016-827 of 23 June 2016, supplemented by Delegated Regulation 2017/565/EU of 25 April 2016 ("MiFID II Directive").
- Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

I- GENERAL PRINCIPLES OF THE REMUNERATION POLICY

The remuneration policy is a strategic element of the NIMI policy. As a tool to enhance employee motivation and commitment, it aims to be competitive and attractive in relation to the rest of the industry while fully complying with key financial indicators and regulations.

2. Governance and compliance commitments

NIMI's remuneration policy, which applies to all employees, counts the alignment of employees' interests with those of investors among its fundamental principles:

- It is consistent and promotes sound and efficient risk management and does not encourage risk-taking that would be incompatible with the risk profiles, regulations or documents constituting the products managed.
- It is in line with the economic strategy, objectives, values and interests of the Management Company and the products it manages, as well as those of investors, and includes measures aimed at preventing conflicts of interest.

The remuneration policy covers all components of remuneration, which include fixed remuneration and, where applicable, variable remuneration.

Fixed remuneration rewards skills, professional experience and level of responsibility. It takes into account market conditions.

Variable remuneration depends on the assessment of collective performance – measured at the level of the Management Company and the products managed – and individual performance. It considers quantitative and qualitative factors, which may be established on a yearly or multi-year basis.

I-1. Definition of performance

The objective and transparent assessment of annual and multi-year performance based on predefined objectives is the prerequisite for the application of NIMI's remuneration policy. It ensures the fair and selective treatment of employees. This assessment is shared between the employee and their manager during an individual appraisal interview.

The contribution and performance level of each employee are evaluated with regard to their duties, assignments and level of responsibility in the Management Company. In this context, the remuneration policy distinguishes several categories of staff:

- The Management Committee is assessed on its contribution to the definition and implementation of the Management Company's strategy, this strategy being part of that of the international distribution platform and that of Solutions. The Management Committee is also assessed on its ability to expand the performance of product and service offerings, on the performance of the distribution activity and, more generally, on the development of the group's multi-boutique model, as well as on the risk-adjusted financial performance within its scope of supervision.
For this category, performance is assessed annually through quantitative indicators linked to changes in NIMI's financial results and supervised activities, as well as a contribution to the overall performance of Natixis IM. Performance is also assessed through the achievement of qualitative objectives, such as the quality of management and/or responsibility for/contribution to cross-functional projects.

- Support functions are assessed on their ability to proactively support the strategic challenges of the Management Company. Individual performance is assessed annually through the achievement of qualitative objectives, such as the quality of recurring business activity and/or the degree of participation in cross-functional projects or strategic/regulatory projects. These objectives are defined annually in accordance with those of NIMI, those of the international distribution platform and, where applicable, those of Solutions.

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- Assessment of the performance of control functions is based solely on the evaluation of qualitative criteria, such as participation in cross-functional projects or in strategic/regulatory plans, defined annually, to avoid compromising their independence or creating conflicts of interest with the activities they control.

- The performance of management functions is assessed according to a quantitative criterion linked to the generation of value through allocation, supplemented by qualitative criteria.

The quantitative criterion reflects the challenges of achieving the management performance sought by investors without, however, authorising excessive risk-taking, which may have an impact on the risk profile of NIMI and/or the products managed.

This quantitative criterion is calculated over a predefined period in line with the risk-adjusted performance horizon of the funds managed and of the Management Company.

Specific criteria incorporating risks related to sustainability, i.e. environmental, social and governance issues, must be defined for all management team employees.

- Assessment of the performance of real asset private debt management functions is based on two criteria (one quantitative, one qualitative), which, if successfully met, means that the interests of the Management Company and investor clients are both being served by the funds and strategies managed by the team.

The quantitative criterion measures the amount of funds raised from investors and reflects each manager's involvement in the development of the assets under management, which generate income for the business activity. The qualitative criterion is designed to ensure that investments made on behalf of clients have been made with strict application of the investment criteria defined with those clients. It also aims to ensure that the manager has performed an exhaustive advance analysis of the risk factors expected during the investment and throughout the entire holding period. In the event that any risk factor occurs, the relevance of the corrective measures that will be carried out diligently, and in the sole interest of the investor, will be taken into account. In other words, this criterion does not penalise the manager for the occurrence of a credit event (credit risk is in fact inherent in this business activity). It aims to guarantee clients that an exhaustive analysis of the risks and their mitigation factors has been carried out *ab initio*, followed by a control process conducted for the duration of the holding period. This enables a well-considered and effective response in case of a credit event in order to neutralise or limit the impact for investors.

- Assessment of the performance of the distribution functions is based on the evaluation of quantitative and qualitative criteria. The quantitative criteria are based on gross inflows, net inflows, revenue, the profitability of the assets under management and how these change. The qualitative criteria include the diversification and development of the business (new clients, new affiliates, new expertise etc.) and the joint consideration of NIMI's interests and those of the clients.

For all categories of staff, the performance assessment incorporates qualitative criteria.

These qualitative criteria always include compliance with regulations and NIMI's internal procedures in terms of risk management and compliance.

2. Governance and compliance commitments

They may also include the quality of the relationship with clients, including the level of expertise and advice provided, improving the reliability of a process, participating in a cross-disciplinary project, participating in the development of new expertise, contributing to the development of operational efficiencies or any other aspects defined by the strategic objectives set out by NIMI.

For each category of staff, all quantitative and qualitative objectives are defined and communicated individually at the start of the year, in line with NIMI's strategic objectives.

I-2. Remuneration components

I-2.1. Fixed remuneration

NIMI strives to maintain a level of fixed remuneration that sufficiently remunerates employees for their professional activity.

Fixed remuneration rewards the skills, professional experience and level of responsibility expected of an employee when performing their duties.

The positioning of fixed remuneration is reviewed periodically to ensure that it is consistent with regard to geographical and professional market practices.

Fixed salaries are reviewed once a year as part of the annual remuneration review. Outside that period, only promotions, internal job moves or exceptional individual circumstances may lead to a review.

I-2.2. Variable remuneration

Variable remuneration packages are defined on the basis of the annual results of NIMI, the international distribution platform and Solutions, and also as a function of qualitative elements, such as the practices of competitor companies, the general market conditions applicable at the time the results were obtained and any factors that may have temporarily influenced the business line's performance.

Variable remuneration, where awarded, is paid to reward an individual annual performance achieved as part of a collective performance.

NIMI's collective variable remuneration consists of a profit-sharing and incentive scheme, together with a company savings plan (*plan d'épargne d'entreprise* – PEE) and a company collective retirement savings plan (*plan d'épargne pour la retraite collectif* – PERCO). Employees can benefit from a matching scheme under these plans.

This collective variable remuneration has no incentive impact on the risk management of NIMI and/or the managed products and does not fall within the scope of the AIFM or UCITS V directives.

2. Governance and compliance commitments

In compliance with the total variable remuneration packages, individual variable remuneration is allocated as part of the annual remuneration review in an objective and discretionary manner, on the basis of the assessment of individual performance and the way in which this performance is achieved. Variable remuneration awarded to employees is affected by inappropriate risk and compliance management or non-compliance with regulations and internal procedures over the year considered (see I-1. above).

Identified employees are subject to specific obligations for adherence to the rules on risks and compliance. A breach of these obligations may result in a partial reduction or total cancellation of the individual variable remuneration awarded.

In the event of a loss or a significant fall in its profits, NIMI may also decide to reduce or entirely cancel the amount allocated to individual variable remuneration, together with any deferred instalments of variable remuneration previously awarded and in the process of vesting.

Similarly, in the event that a major sustainability-related risk materialises, i.e. an environmental, social or governance event or situation occurs that could have a material and lasting adverse impact on the value of the funds/products under management, the package allocated to individual variable remuneration may be reduced or even cancelled, as may any deferred instalments of variable remuneration previously awarded and not yet fully vested.

There are no contractual guarantees for variable remuneration, with the occasional exception of variable remuneration awarded for the first year of work in connection with external recruitment.

"Golden parachute" agreements are forbidden. Payments related to the early termination of an employment contract are defined in accordance with legal provisions (legal and contractual indemnities) and the performance of the beneficiary, the area of the business to which they belong and the performance of the entire Management Company over the period. They are designed to avoid rewarding failure.

Variable remuneration is not paid through instruments or methods that facilitate circumvention of the requirements established in the regulations.

I-2.3. Key employee retention scheme

NIMI wants to ensure that its investors have confidence in the stability of its teams.

In order to achieve this, a deferred remuneration system has been incorporated into its remuneration policies.

Beyond a certain variable threshold, this scheme leads to the allocation of a portion of the variable remuneration in the form of a cash payment indexed to the change in the consolidated financial performance of Natixis IM measured by its earnings before tax (EBT), recorded each year over a minimum period of three years. The portion of variable remuneration thus deferred is vested in equal tranches over a period of at least three years and gives employees a stake in the performance of Natixis IM. The deferred variable remuneration rate is calculated by applying a deferred remuneration table.

2. Governance and compliance commitments

This scheme is subject to the employee meeting conditions relating to continued employment and the absence of conduct inconsistent with the company's standards that could have an impact on NIMI's level of risk. Vesting of these tranches may be subject to a repayment commitment, either in full or in part, in order to ensure ex-post risk adjustment.

I-2.4. Balance between fixed and variable remuneration

NIMI ensures that there is an appropriate balance between the fixed and variable components of overall remuneration and that the fixed component represents a sufficiently high proportion of overall remuneration so that a fully flexible policy can be exercised with regard to variable components of remuneration, including the option of paying no variable component. All individual situations for which variable remuneration represents more than 100% of fixed remuneration and which can be explained by market practice and/or an exceptional level of responsibility, performance and behaviour, are documented by the Human Resources Department as part of the annual remuneration review.

II- APPLICATION OF THE SCHEME APPLICABLE TO IDENTIFIED EMPLOYEES UNDER THE AIFM AND/OR UCITS V DIRECTIVES

II-1. Identified employees

In accordance with regulatory provisions, NIMI's identified employees include the categories of employee, including executive managers, risk-takers and those exercising a control function, as well as any employee who, based on their total remuneration, is in the same remuneration bracket as executive managers and risk-takers, whose employment activities have a material impact on the risk profile of the Management Company and/or the products managed by the Management Company. These persons are identified based on their employment activities, their level of responsibility or their overall level of remuneration.

To maintain consistency and alignment, NIMI has decided to implement the system applicable to identified employees across the full scope of products managed (mandates, UCITS and AIFs).

The following employee categories are identified:
- Members of the management body,
- Members of staff responsible for portfolio management,
- Managers of control functions (risk, compliance and internal control),
- Managers of support or administrative activities,
- Other risk-takers,
- Employees who, given their overall remuneration, are in the same remuneration bracket as executive management and risk-takers.

Each year, prior to the annual remuneration review, the Human Resources Department draws up and formally records the identification methodology and scope of NIMI's identified population in conjunction with the Director of Permanent Controls.

2. Governance and compliance commitments

The scope of the entire identified employee population is then validated by NIMI's General Management and sent for approval to the Board of Directors in its supervisory function, before being provided to the Natixis Remuneration Committee.

The entire identification process is documented and archived by the Human Resources Department. The employees concerned are also informed of their status.

II-2. Scheme applicable to variable remuneration allocated to identified employees

In accordance with regulations and in order to ensure alignment between employees, investors and the Management Company, as soon as the variable remuneration of identified employees exceeds a certain threshold, it is partly deferred and partly awarded in the form of a financial instrument vesting pro rata temporis over a period of at least three years.

The proportion of the variable remuneration that is deferred over three years increases with the amount of variable remuneration awarded and can reach 60% for the highest remuneration at NIMI. Currently, the application methods for the deferred payment are as follows:

- Up to €199,000 in variable remuneration: no deferral,
- Between €200,000 and €499,000: 50% of the amount deferred from the first euro,
- From €500,000: 60% of the amount deferred from the first euro.

The thresholds for triggering deferred variable remuneration are subject to change depending on regulations or changes to internal policies. In this case, the new thresholds are subject to approval by NIMI's Management Committee and the Natixis Remuneration Committee.

A minimum of 50% of the variable remuneration is also awarded in financial instruments in the form of indexed cash payments:

- For teams directly involved in portfolio management, with the exception of those managing real asset private debt, on the basis of the performance of a basket of products managed by NIMI;
- For teams that are not directly involved in portfolio management and teams managing real asset private debt, on the basis of changes in Natixis IM's consolidated financial performance measured by its earnings before tax (EBT), recorded each year over a minimum period of three years.

The vesting of the deferred portion of variable remuneration is subject to conditions relating to continued employment and to Natixis IM's consolidated financial performance as well as the absence of conduct inconsistent with the company's standards that could have an impact on the level of risk for NIMI and/or the products managed.

This vesting is also subject to obligations in terms of adherence to the rules on risks and compliance. Failure to comply with these obligations may result in a partial or total reduction of the vested portion. It may also be subject to a full or partial repayment commitment in order to ensure ex-post risk adjustment.

Employees in receipt of deferred variable remuneration are prohibited from using personal hedging or insurance strategies over the entire vesting period.

2. Governance and compliance commitments

The terms and conditions for calculating, valuing, allocating, vesting and paying deferred variable remuneration in equivalent financial instruments are set out in the NIMI and Natixis IM Long-Term Incentive Plan (LTIP).

III- GOVERNANCE

The general and specific principles of the remuneration policy are drawn up and formally documented by NIMI's Human Resources Department in line with the policy applicable to the global distribution platform.

NIMI's Permanent Controls Department and Risk Department have an active role in the development, ongoing monitoring and assessment of the remuneration policy. They are thus involved in determining the overall strategy applicable to the Management Company to promote the development of effective risk management. As such, they are involved in determining the scope of identified employees. They are also responsible for assessing the impact of the variable remuneration structure on the risk profile of managers.

NIMI's remuneration policy is approved by the NIMI Board of Directors in its supervisory function.

The general and specific principles, the application methods and quantified data of the remuneration policy, including identified employees and the highest remuneration levels, are approved in turn and in detail by the members of NIMI's Management Committee, then by an Intermediary Committee established at Federation level that encompasses all of the distribution, support and control functions of the Natixis IM Group, and which includes NIMI, in particular. This Intermediary Committee brings together the General Management teams of NIMI and Natixis IM. It then submits the above information in summary form for the approval of Natixis General Management, which then transmits it to the Natixis Remuneration Committee.

NIMI does not have its own remuneration committee but, as a member of the Natixis Group, reports to the Natixis Remuneration Committee.
The Natixis Remuneration Committee was established and acts in accordance with regulations[1]:
- Both in its composition: the independence and expertise of its members, the majority of whom, like its Chairman, do not perform executive functions within NIMI, are external to the Natixis Group and are therefore completely independent.
- And in the exercise of its duties, which in management companies more specifically includes the following roles:
o Advice and assistance to the Board of Directors for the development and implementation of the Management Company's remuneration policy.
o Assistance to the Board of Directors in supervising the development and operation of the Management Company's remuneration system.

[1] For more details on the composition and role of the Natixis Remuneration Committee, see the company's Registration Document.

2. Governance and compliance commitments

o Specific attention is paid to the evaluation of the mechanisms used to ensure that the remuneration system takes proper account of all categories of risk, liquidity and the levels of assets under management, and that the remuneration policy is compatible with the economic strategy, objectives, values and interests of the Management Company, the products managed and those of investors.

In this context, the general and specific principles, the compliance of NIMI's remuneration policy with the applicable regulations, and the application methods and summary calculated data of its remuneration policy, including details of identified employees and the highest remuneration levels, are submitted to the Natixis Remuneration Committee for a final review, before being approved by its Board of Directors in its supervisory role.

The remuneration of NIMI's Chief Executive Officer is set by the General Management teams of Natixis IM and Natixis, then presented to the Natixis Remuneration Committee.

The remuneration packages of NIMI's Risk and Compliance Directors are reviewed by Natixis IM's Risk and Compliance Directors as part of the independent reviews carried out by the risk and compliance functions. They are then submitted to the Natixis Remuneration Committee.
In short, all roles assigned to remuneration committees and set out in the regulatory texts are, in practice, performed by the Intermediary Committee established at Federation level, which incorporates NIMI, and/or by the Natixis Remuneration Committee.

The general and specific principles of the remuneration policy are communicated internally to all employees and members of the Works Council. NIMI also complies with all its obligations in terms of external advertising.

This entire review, validation and communication process takes place every year. It includes any regulatory and contextual changes and is conducted in line with the Natixis remuneration policy.

Finally, the entire NIMI remuneration policy is subject to a centralised and independent annual review by Natixis IM's Internal Audit Department.

When NIMI delegates the financial management of one of the portfolios that it manages to another management company, it ensures that this delegated company complies with the regulations in force.

2. Governance and compliance commitments

Remuneration paid during the last financial year

The total amount of fixed and variable remuneration for the financial year paid by the Management Company to its staff, and the number of beneficiaries, is as follows:

Fixed remuneration in 2022*: €27,383,602
Variable remuneration awarded for 2022: €9,378,250
Employees concerned: 363
** Theoretical fixed remuneration for full-time equivalents (FTE) in December 2022*

The aggregate amount of remuneration, broken down between the Management Company's senior executives and members of staff whose activities have a material impact on the risk profile of the Management Company and/or the portfolios is as follows:

Total remuneration awarded for 2022: €9,689,885 including:
- Senior executives: €2,647,162
- Members of staff: €7,042,723

Employees concerned: 54

2. Governance and compliance commitments

■ Remuneration policy of the delegated management company

This OSTRUM AM remuneration policy consists of general principles applicable to all employees (see point I), specific principles applicable to employees identified by the AIFMD and UCITS V (see point II) and a governance mechanism applicable to all employees (see point III).

It falls under the remuneration policy defined by Natixis and is established in compliance with the provisions relating to remuneration stipulated in the following regulatory texts, as well as the guidelines of the European Securities and Markets Authority (ESMA) and the positions of the French Financial Markets Authority (Autorité des Marchés Financiers – AMF) resulting therefrom:

- Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers, transposed into the French Monetary and Financial Code by Order No. 2013-676 of 27 July 2013 ("AIFM Directive").
- Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 on undertakings for collective investment in transferable securities (UCITS), transposed into the French Monetary and Financial Code by Order No. 2016-312 of 17 March 2016 ("UCITS V Directive").
- Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, transposed into the French Monetary and Financial Code by Order No. 2016-827 of 23 June 2016, supplemented by Delegated Regulation 2017/565/EU of 25 April 2016 ("MiFID II Directive").
- Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

I- GENERAL PRINCIPLES OF THE REMUNERATION POLICY

The remuneration policy is a strategic aspect of OSTRUM AM's policy. As a tool to enhance employee motivation and commitment, it aims to be competitive and attractive in relation to the rest of the industry while fully complying with key financial indicators and regulations.

The OSTRUM AM remuneration policy, which applies to all employees, incorporates in its fundamental principles the alignment of the interests of its employees with those of investors:

- It is consistent and promotes sound and efficient risk management and does not encourage risk-taking that would be incompatible with the risk profiles, regulations or documents constituting the products managed.
- It is in line with the economic strategy, objectives, values and interests of the Management Company and the products it manages, as well as those of investors, and includes measures aimed at preventing conflicts of interest.

The remuneration policy covers all components of remuneration, which include fixed remuneration and, where applicable, variable remuneration.

Fixed remuneration rewards skills, professional experience and level of responsibility. It takes into account market conditions.

2. Governance and compliance commitments

Variable remuneration depends on the assessment of collective performance – measured at the level of the Management Company and the products managed – and individual performance. It considers quantitative and qualitative factors, which may be established on a yearly or multi-year basis.

I-1. Definition of performance

The objective and transparent evaluation of annual and multi-year performance based on predefined objectives is the prerequisite for application of OSTRUM AM's remuneration policy. It ensures the fair and selective treatment of employees. This assessment is shared between the employee and their manager during an individual appraisal interview.

The contribution and performance level of each employee are evaluated with regard to their duties, assignments and level of responsibility in the Management Company. In this context, the remuneration policy distinguishes several categories of staff:

- The Executive Committee is evaluated on its contribution to the definition and implementation of the Management Company's strategy and on its ability to increase performance in terms of product and service offerings and the risk-adjusted financial performance for its scope of supervision. For this category, performance is assessed annually through quantitative indicators, such as changes in OSTRUM AM's financial results and supervised activities, as well as qualitative elements, such as the quality of management and/or responsibility/contribution to cross-functional projects.

- Support functions are assessed on their ability to support the strategic challenges of the Management Company. Individual performance is assessed annually depending on the quality of recurring business activity and/or the degree of participation in cross-functional projects or strategic/regulatory plans.

- Assessment of the performance of control functions is based solely on the evaluation of qualitative criteria, such as participation in cross-functional projects or in strategic/regulatory plans, defined annually, to avoid compromising their independence or creating conflicts of interest with the activities they control.

- The performance of management functions is assessed according to quantitative criteria, supplemented by qualitative criteria.

Quantitative criteria reflect the development issues of the management performance sought by investors without causing excessive risk-taking, which may have an impact on the risk profile of OSTRUM AM and/or the products managed.
These quantitative criteria are calculated over a predefined period in line with the risk-adjusted performance horizon of the funds managed and of the Management Company.

For all categories of staff, the performance assessment incorporates qualitative criteria.
These qualitative criteria always incorporate adherence to internal regulations and procedures with regard to OSTRUM AM risk management and compliance.

2. Governance and compliance commitments

They may also concern the quality of the relationship with clients, including the level of expertise and advice provided, involvement in improving the reliability of a process, participation in a cross-disciplinary project, developing new expertise, involvement in developing operational efficiency or any other matters otherwise defined as part of OSTRUM AM's strategic objectives.
Specific criteria incorporating risks related to sustainability, i.e. social, environmental and governance issues, must be defined for the members of the Executive Committee, as well as for managers and analysts working within the management teams.

For each category of staff, all quantitative and qualitative objectives are defined and communicated individually at the start of the year, defined by the strategic objectives set out by OSTRUM AM.

I-2. Remuneration components

I-2.1. Fixed remuneration

OSTRUM AM strives to maintain a level of fixed remuneration that sufficiently remunerates employees for their professional activity.

Fixed remuneration rewards the skills, professional experience and level of responsibility expected of an employee when performing their duties.

The positioning of fixed remuneration is reviewed periodically to ensure that it is consistent with regard to geographical and professional market practices.

Fixed salaries are reviewed once a year as part of the annual remuneration review. Outside that period, only promotions, internal job moves or exceptional individual circumstances may lead to a review.

I-2.2. Variable remuneration

Variable remuneration packages are defined on the basis of OSTRUM AM's annual results, as well as on qualitative information, such as the practices of competitors, the general market conditions in which the results were obtained and any factors that may have temporarily influenced the performance of the business line.
Variable remuneration, which may be allocated if applicable, remunerates annual performance, both collective and/or individual.

OSTRUM AM's collective variable remuneration consists of a profit-sharing and incentive scheme, together with a company savings plan (*plan d'épargne d'entreprise* – PEE) and a company collective retirement savings plan (*plan d'épargne pour la retraite collectif* – PERCO). Employees can benefit from a matching scheme under these plans.

This collective variable remuneration has no incentive effect on OSTRUM AM's risk management and/or the products managed and does not fall within the scope the AIFM or UCITS V directives.

2. Governance and compliance commitments

In compliance with the total variable remuneration packages, individual variable remuneration is allocated as part of the annual remuneration review in an objective and discretionary manner, on the basis of the assessment of individual performance and the way in which this performance is achieved. Variable remuneration awarded to employees is affected by inappropriate risk and compliance management, or non-compliance with regulations and internal procedures over the year considered (see I-1. above).

Identified employees are subject to specific obligations for adherence to the rules on risks and compliance. A breach of these obligations may result in a partial reduction or total cancellation of the individual variable remuneration awarded.

In the event of a loss or a significant decline in its profits, OSTRUM AM may also decide to reduce or entirely cancel the amount allocated to individual variable remuneration, together with any deferred instalments of variable remuneration previously awarded and in the process of vesting.

Similarly, in the event that a major sustainability-related risk materialises, i.e. an environmental, social or governance event or situation occurs that could have a material and lasting adverse impact on the value of the funds/products under management, the package allocated to individual variable remuneration may be reduced or even cancelled, as may any deferred instalments of variable remuneration previously awarded and not yet fully vested.

There are no contractual guarantees for variable remuneration, with the occasional exception of variable remuneration awarded for the first year of work in connection with external recruitment.

“Golden parachute” agreements are forbidden. Payments related to the early termination of an employment contract are defined in accordance with legal provisions (legal and contractual indemnities) and the performance of the beneficiary, the area of the business to which they belong and the performance of the entire Management Company over the period. They are designed to avoid rewarding failure.

Variable remuneration is not paid through instruments or methods that facilitate circumvention of the requirements established in the regulations.

I-2.3. Key employee retention scheme

OSTRUM AM wants to ensure that its investors benefit from the continuity of service of its most talented employees and those identified as key in terms of their commitment or contribution to results.

In order to achieve this, a deferred remuneration system has been incorporated into its remuneration policies.

Beyond a certain variable threshold, this system leads to the allocation of a proportion of the variable remuneration in the form of a cash payment indexed to the performance of an equally weighted basket of products managed by OSTRUM AM. The proportion of variable remuneration thus deferred is vested in equal tranches over a period of at least three years and gives employees a stake in the performance of OSTRUM AM.

2. Governance and compliance commitments

This scheme is subject to conditions of continued employment and the absence of conduct inconsistent with the company's standards that could have an impact on the level of risk for OSTRUM AM and/or the products managed. Vesting of these tranches may be subject to a repayment commitment, either in full or in part, in order to ensure ex-post risk adjustment.

I-2.4. Balance between fixed and variable remuneration

OSTRUM AM ensures that there is an appropriate balance between the fixed and variable components of the total remuneration received and that the fixed component represents a sufficiently high proportion of the total remuneration so that a fully flexible policy can be exercised with regard to variable components of remuneration, including the option of not paying a variable component. All individual situations for which variable remuneration represents more than 100% of fixed remuneration and which can be explained by market practice and/or an exceptional level of responsibility, performance and behaviour, are documented by the Human Resources Department as part of the annual remuneration review.

II- APPLICATION OF THE SCHEME APPLICABLE TO IDENTIFIED EMPLOYEES UNDER THE AIFM AND/OR UCITS V DIRECTIVES

II-1. Identified employees

In accordance with regulatory provisions, OSTRUM AM's identified staff comprise the categories of employee, including executive managers, risk-takers and individuals exercising a control function, as well as any employee who, on the basis of their total remuneration, is in the same remuneration bracket as executive managers and risk-takers, whose employment activities have a material impact on the risk profile of the Management Company and/or the products managed by the Management Company. These individuals are identified on the basis of their employment activities, their level of responsibility or their level of total remuneration.

To maintain consistency and alignment, OSTRUM AM has decided to implement the system applicable to identified staff across the full scope of products managed (mandates, UCITS and AIFs).

The following employee categories are identified:
- Members of the management body,
- Members of staff responsible for portfolio management,
- Managers of control functions (risk, compliance and internal control),
- Managers of support or administrative activities,
- Other risk-takers,
- Employees who, given their overall remuneration, are in the same remuneration bracket as executive management and risk-takers.

Each year, prior to the annual remuneration review, the Human Resources Department draws up and formally records the identification methodology and scope of OSTRUM AM's identified staff, in conjunction with the Department of Permanent Controls.

2. Governance and compliance commitments

The names of all identified staff are then validated by OSTRUM AM's General Management and sent for approval to the Board of Directors in its supervisory function, before being provided to the Natixis Remuneration Committee.

The entire identification process is documented and archived by the Human Resources Department. The employees concerned are also informed of their status.

II-2. Scheme applicable to variable remuneration allocated to identified employees

In accordance with regulations and in order to ensure alignment between employees, investors and the Management Company, as soon as the variable remuneration of identified employees exceeds a certain threshold, it is partly deferred and partly awarded in the form of a financial instrument vesting pro rata temporis over a period of at least three years.

The proportion of the variable remuneration that is deferred over three years increases with the amount of variable remuneration awarded and can reach 60% for those with the highest remuneration at OSTRUM AM. Currently, the application methods for the deferred payment are as follows:

- Up to €199,000 in variable remuneration: no deferral,
- Between €200,000 and €499,000 in variable remuneration: 50% of the amount deferred from the first euro,
- From €500,000 in variable remuneration: 60% of the amount deferred from the first euro.

The thresholds for triggering deferred variable remuneration are subject to change depending on regulations or changes to internal policies. In this case, the new thresholds defined are subject to approval by the OSTRUM AM Executive Committee and the Natixis Remuneration Committee.

A minimum of 50% of the variable remuneration is also awarded in financial instruments in the form of cash payments indexed to the performance of a basket of products managed by OSTRUM AM.

The vesting of the deferred portion of variable remuneration is subject to conditions of continued employment, to the Management Company's financial performance, and to the absence of conduct inconsistent with the company's standards that could have an impact on the level of risk for OSTRUM AM and/or the products managed.
This vesting is also subject to obligations in terms of adherence to the rules on risks and compliance. Failure to comply with these obligations may result in a partial or total reduction of the vested portion. It may also be subject to a full or partial repayment commitment in order to ensure ex-post risk adjustment.

Employees in receipt of deferred variable remuneration are prohibited from using personal hedging or insurance strategies over the entire vesting period.

The terms and conditions for determining, valuing, awarding, vesting and paying deferred variable remuneration as an equivalent financial instrument are detailed in OSTRUM AM's Long-Term Incentive Plan (LTIP).

2. Governance and compliance commitments

III- GOVERNANCE

The general and specific principles of the remuneration policy are defined and documented by the OSTRUM AM Human Resources Department.

OSTRUM AM's Permanent Controls Department and Risk Department have an active role in the development, ongoing monitoring and assessment of the remuneration policy. They are thus involved in determining the overall strategy applicable to the Management Company to promote the development of effective risk management. In this respect, they are involved in determining the scope of the identified staff for the Permanent Controls Department and in determining the indexation and the basket of funds for the LTIP for the Risk Department. The Risk Department is also responsible for assessing the impact of the variable remuneration structure on the risk profile of managers.

OSTRUM AM's remuneration policy is approved by the OSTRUM AM Board of Directors in its supervisory function.

The general and specific principles, application methods and quantified data of the remuneration policy, including the identified staff and the highest levels of remuneration, are approved in detail by the members of the OSTRUM AM Executive Committee.

The OSTRUM AM Remuneration Committee was established and acts in accordance with regulations[2]:

- Both in its composition: the independence and expertise of its members, the majority of whom, like its Chairman, do not perform executive functions within OSTRUM AM and are, therefore, independent
- And in the exercise of its duties, which include the following roles:
  - Providing recommendations and assistance to the Board of Directors in the development and implementation of the Management Company's remuneration policy.
  - Providing assistance to the Board of Directors in supervising the development and operation of the Management Company's remuneration system.
  - Special attention is paid to the evaluation of the mechanisms used to ensure that the remuneration system takes proper account of all categories of risk, liquidity and the levels of assets under management and that the remuneration policy is compatible with the economic strategy, objectives, values and interests of the Management Company and the products managed and with those of investors.

In this context, the general and specific principles, the compliance of OSTRUM AM's remuneration policy with the applicable regulations and application methods, and quantified summary data of the remuneration policy, including the identified population and the highest levels of remuneration, are submitted to the OSTRUM AM Remuneration Committee for review, before being approved by its Board of Directors in its supervisory function.

[2] For more details on the composition and role of OSTRUM AM's Remuneration Committee, see the Rules of Procedure of the Appointments and Remuneration Committee.

2. Governance and compliance commitments

Natixis IM's General Management then submits the above information in summary form for the approval of Natixis's General Management, which then transmits it to the Natixis Remuneration Committee, before it is approved by its Board of Directors in its supervisory function.

The Natixis Remuneration Committee itself has been established and acts in accordance with regulations, both in its composition (the independence and expertise of its members) and in the exercise of its duties. The majority of its members, its Chairman included, do not hold executive functions within OSTRUM AM, are outside the Natixis Group and are therefore completely independent[3].

The remuneration of OSTRUM AM's Chief Executive Officer is proposed by the General Management of Natixis IM and of Natixis, then presented to the OSTRUM AM Remuneration Committee and finally to the Natixis Remuneration Committee.

The remuneration packages of OSTRUM AM's Risk and Compliance Directors are reviewed, as part of the independent reviews carried out by the risk and compliance functions, by Natixis IM's Risk and Compliance Directors. They are then submitted to the OSTRUM AM Remuneration Committee, and then to the Natixis Remuneration Committee.

In short, all roles assigned to remuneration committees and set out in the regulatory texts are in practice performed by the Remuneration Committee established at OSTRUM AM-company level and/or by the Natixis Remuneration Committee.

The general and specific principles of the remuneration policy are communicated internally to all employees and members of the Works Council. OSTRUM AM also complies with all its obligations in terms of external advertising.

This entire review, validation and communication process takes place every year. It includes any regulatory and contextual changes and is conducted in line with the Natixis remuneration policy.

Finally, the entire OSTRUM AM remuneration policy is subject to a centralised and independent annual review by the Natixis IM Internal Audit Department.

When OSTRUM AM delegates the financial management of one of the portfolios that it manages to another management company, it ensures that this delegated company complies with the regulations in force.

[3] For more details on the composition and role of the Natixis Remuneration Committee, see the company's Registration Document.

2. Governance and compliance commitments

Remuneration paid during the last financial year

The total amount of remuneration for the financial year paid by the Management Company to its staff, broken down into fixed and variable remuneration, and the number of beneficiaries, is as follows:

Fixed remuneration in 2022*: €27,364,506
Variable remuneration awarded for 2022: €10,419,005
Employees concerned: 357
** Theoretical fixed remuneration for full-time equivalents (FTE) in December 2022*

The aggregate amount of remuneration, broken down between the Management Company's senior executives and members of staff whose activities have a material impact on the risk profile of the Management Company and/or the portfolios is as follows:

Total remuneration awarded for 2022: €15,943,236 including:
- Senior executives: €3,850,000
- Members of staff: €12,093,236
Employees concerned: 83

3. Fees and taxation

■ **Intermediation fees**

Detailed information on the terms and conditions applied by the Management Company for order execution or investment decision-making support services during the year ended can be found on its website at **http://www.im.natixis.com**.

■ **Management fees (feeder)**

Your Fund is a feeder fund for the UCI/sub-fund OSTRUM SRI CREDIT SHORT DURATION. The total fees charged during the year amounted to 0.46% inclusive of tax, of which 0.25% inclusive of tax was for direct management fees and 0.21% inclusive of tax was for indirect management fees (representing the current charges of the master fund over the same period) for the OSTRUM SRI CREDIT EURO 1-3 I(C) unit.

Your Fund is a feeder fund for the UCI/sub-fund OSTRUM SRI CREDIT SHORT DURATION. The total fees charged during the year amounted to 0.46% inclusive of tax, of which 0.25% inclusive of tax was for direct management fees and 0.21% inclusive of tax was for indirect management fees (representing the current charges of the master fund over the same period) for the OSTRUM SRI CREDIT EURO 1-3 I(D) unit.

Your Fund is a feeder fund for the UCI/sub-fund OSTRUM SRI CREDIT SHORT DURATION. The total fees charged during the year amounted to 0.46% inclusive of tax, of which 0.25% inclusive of tax was for direct management fees and 0.21% inclusive of tax was for indirect management fees (representing the current charges of the master fund over the same period) for the OSTRUM SRI CREDIT EURO 1-3 N(C) unit.

Your Fund is a feeder fund for the UCI/sub-fund OSTRUM SRI CREDIT SHORT DURATION. The total fees charged during the year amounted to 0.76% inclusive of tax, of which 0.55% inclusive of tax was for direct management fees and 0.21% inclusive of tax was for indirect management fees (representing the current charges of the master fund over the same period) for the OSTRUM SRI CREDIT EURO 1-3 R(C) unit.

The annual report of the master fund is appended to this report.

■ **Withholding tax**

This UCI is not involved in recoveries of withholding tax in respect of this year.

4. Statutory Auditor’s report

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OSTRUM SRI CREDIT EURO 1-3
(EX OSTRUM CREDIT EURO 1-3)

Mutual Fund

Management company:
Natixis Investment Managers International

43 Avenue Pierre Mendès France
75013 Paris, France

Statutory Auditor's report on the annual financial statements

Financial year ended 30 June 2023

To the unitholders of the OSTRUM SRI CREDIT EURO 1-3 mutual fund (EX OSTRUM CREDIT EURO 1-3),

Opinion

In execution of the assignment entrusted to us by the Management Company, we have audited the annual financial statements of the OSTRUM SRI CREDIT EURO 1-3 (FORMERLY OSTRUM CREDIT EURO 1-3) undertaking for collective investment, constituted in the form of a mutual fund, relating to the financial year ended 30 June 2023, as attached to this report.

We certify that the annual financial statements are, in compliance with French accounting rules and principles, accurate and consistent, and give a true and fair view of the financial performance for the previous financial year as well as the financial position and holdings of the Fund at the end of this financial year.

Basis of the opinion on the annual financial statements

Audit framework

We conducted our audit in accordance with the standards of professional practice applicable in France. We believe that the information that we collected is sufficient and appropriate to form a basis for our opinion.

Deloitte.

Our responsibilities pursuant to these standards are set out in the “Statutory auditor’s responsibilities regarding the audit of the annual financial statements” section of this report.

Independence

We performed our audit assignment in accordance with the rules of independence stipulated in the French Commercial Code and French Code of Ethics for Statutory Auditors, for the period from 1 July 2022 to the issue date of our report.

Justification of our assessments

In accordance with the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you that, in our professional opinion, the most significant assessments we conducted were based on the appropriateness of the accounting principles applied, particularly regarding the financial instruments held in the portfolio, and on the overall presentation of the financial statements in terms of the chart of accounts for open-ended undertakings for collective investment.

The assessments were made as part of our audit of the annual financial statements, taken as a whole, and therefore contributed to the formation of the opinion expressed in the first part of this report. We have no comment to make on any individual aspect of these annual financial statements.

Specific verifications

We also performed the specific verifications required by the relevant legal and regulatory provisions and in accordance with professional auditing standards in France.

We have no observations to make concerning the accuracy and consistency with the annual financial statements of the information provided in the management report prepared by the Management Company.

Responsibilities of the Management Company with respect to the annual financial statements

It is the Management Company’s responsibility to prepare annual financial statements that provide a true and fair view, in accordance with French accounting rules and principles, and to implement the internal controls it deems necessary for the preparation of annual financial statements that are free of material misstatement, whether due to fraud or error.

When preparing the annual financial statements, it is the Management Company’s responsibility to assess the Fund’s ability to continue as a going concern, to present in said financial statements, where applicable, the necessary information relating to its viability as a going concern, and to apply the going concern accounting convention unless it intends to wind up the Fund or to cease trading.

The annual financial statements were prepared by the Management Company.

Deloitte.

Statutory Auditor's responsibilities regarding the audit of the annual financial statements

It is our responsibility to draw up a report on the annual financial statements. Our aim is to obtain reasonable assurance that the annual financial statements taken as a whole are free of material misstatement. Reasonable assurance corresponds to a high level of assurance, but does not guarantee that an audit performed in accordance with the standards of professional practice can systematically detect any material misstatement. Misstatements may arise from fraud or error and are considered material where it might reasonably be expected that, taken individually or together, they could influence the economic decisions made by users of the financial statements that are based upon such misstatements.

As specified by Article L. 823-10-1 of the French Commercial Code, our task is to certify the financial statements, and not to guarantee the viability or the quality of the management of your Fund.

In conducting an audit in accordance with the standards of professional practice applicable in France, the statutory auditor exercises their professional judgement throughout the audit. In addition:

- they identify and assess the risks of material misstatements in the annual financial statements, whether due to fraud or error, design and carry out audit procedures intended to counter these risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of non-detection of a material misstatement due to fraud is higher than that of a material misstatement due to an error, since fraud may involve collusion, forgery, voluntary omissions, misrepresentation or the circumvention of internal control processes;

- they become familiar with the internal control processes relevant to the audit so as to set out audit procedures that are appropriate to the circumstances, and not to express an opinion on the effectiveness of the internal control processes;

- they assess the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Company in the annual financial statements;

- they assess the appropriateness of the Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. This assessment is based on the items collected up to the date of the audit report, on the understanding that subsequent events or circumstances may affect viability as a going concern. If they conclude that significant uncertainty exists, they draw the attention of the reader of the report to the information provided in the annual financial statements about this uncertainty or, if this information is not provided or is not relevant, they issue a certification with reserve or a refusal to certify;

- they appraise the overall presentation of the annual financial statements and assess whether said statements reflect the transactions and underlying events, and thus provide a true and fair view thereof.

Paris La Défense, 24 October 2023

The Statutory Auditor

Deloitte & Associés

[Signature]

Olivier Galienne

5. Annual financial statements

a) Annual financial statements

■ BALANCE SHEET – ASSETS AT 30/06/2023 IN EUR

	30/06/2023	30/06/2022
FINANCIAL INSTRUMENTS	**32,362,299.11**	**118,149,863.55**
MASTER UCI	**32,362,299.11**	**118,149,863.55**
Forward financial instruments	**0.00**	**0.00**
Transactions on a regulated or equivalent market	0.00	0.00
Other transactions	0.00	0.00
RECEIVABLES	**0.00**	**7,352.94**
Forward foreign exchange transactions	0.00	0.00
Other	0.00	7,352.94
FINANCIAL ACCOUNTS	**3,155,981.82**	**3,462,263.75**
Cash and cash equivalents	3,155,981.82	3,462,263.75
TOTAL ASSETS	**35,518,280.93**	**121,619,480.24**

5. Annual financial statements

■ BALANCE SHEET – LIABILITIES AT 30/06/2023 IN EUR

	30/06/2023	30/06/2022
SHAREHOLDERS' EQUITY		
Capital	42,970,423.78	120,779,453.14
Undistributed prior net gains and losses (a)	0.00	0.00
Retained earnings (a)	352.32	9,839.43
Net gains and losses for the financial year (a, b)	-7,905,123.35	-990,745.24
Income for the financial year (a, b)	438,997.37	1,781,971.53
TOTAL SHAREHOLDERS' EQUITY*	**35,504,650.12**	**121,580,518.86**
** Amount representative of net assets*		
FINANCIAL INSTRUMENTS	**0.00**	**0.00**
Forward financial instruments	0.00	0.00
Transactions on a regulated or equivalent market	0.00	0.00
Other transactions	0.00	0.00
PAYABLES	**13,630.81**	**38,961.38**
Forward foreign exchange transactions	0.00	0.00
Other	13,630.81	38,961.38
FINANCIAL ACCOUNTS	**0.00**	**0.00**
Current bank loans	0.00	0.00
Borrowings	0.00	0.00
TOTAL LIABILITIES	**35,518,280.93**	**121,619,480.24**

(a) Including adjustments

(b) Less interim dividends paid during the financial year

5. Annual financial statements

■ OFF-BALANCE SHEET ITEMS AT 30/06/2023 IN EUR

	30/06/2023	30/06/2022
HEDGING TRANSACTIONS	0.00	0.00
Commitments on regulated or equivalent markets	0.00	0.00
Commitments on over-the-counter markets	0.00	0.00
Other commitments	0.00	0.00
OTHER TRANSACTIONS	0.00	0.00
Commitments on regulated or equivalent markets	0.00	0.00
Commitments on over-the-counter markets	0.00	0.00
Other commitments	0.00	0.00

5. Annual financial statements

■ INCOME STATEMENT AT 30/06/2023 IN EUR

	30/06/2023	30/06/2022
Income from financial transactions		
Income from deposits and financial accounts	37,714.13	0.00
Income from equities and equivalent securities	0.00	0.00
Income from bonds and equivalent securities	1,388,258.92	2,288,716.00
Income from debt securities	0.00	0.00
Income from securities financing transactions	0.00	0.00
Income from forward financial instruments	0.00	0.00
Other financial income	0.00	0.00
TOTAL (1)	**1,425,973.05**	**2,288,716.00**
Expenses on financial transactions		
Expenses on temporary acquisitions and sales of securities	0.00	0.00
Expenses on forward financial instruments	0.00	0.00
Expenses on financial debt	2,705.93	15,582.25
Other financial expenses	0.00	0.00
TOTAL (2)	**2,705.93**	**15,582.25**
PROFIT/LOSS FROM FINANCIAL TRANSACTIONS (1 - 2)	**1,423,267.12**	**2,273,133.75**
Other income (3)	0.00	0.00
Management fees and provisions for depreciation and amortisation (4)	234,868.78	365,220.72
NET PROFIT/LOSS FOR THE FINANCIAL YEAR (L. 214-17-1) (1 - 2 + 3 - 4)	**1,188,398.34**	**1,907,913.03**
Income equalisation for the financial year (5)	-749,400.97	-125,941.50
Interim dividends paid over the financial year (6)	0.00	0.00
PROFIT/LOSS (1 - 2 + 3 - 4 + 5 - 6)	**438,997.37**	**1,781,971.53**

5. Annual financial statements

b) Annual financial statements – Notes

1. Accounting rules and methods

The annual financial statements are presented in the form provided for by ANC Regulation 2014-01, as amended.

The following general accounting principles apply:
- a true and fair view, comparability and business continuity;
- lawfulness and fairness;
- prudence;
- consistency in accounting methods from one financial year to the next.

Income from fixed-income securities is recorded on the basis of interest received.

Purchases and sales of securities are recorded inclusive of fees.
The reference currency of the portfolio is the euro.
The financial year covers the period from 1 July 2022 to 30 June 2023.

Asset valuation rules

UCIs held:

The securities held in the Feeder Fund's portfolio are valued on the basis of the last net asset value of the Master UCITS, OSTRUM SRI CREDIT SHORT DURATION SI/D.

Management fees

Operating and management fees cover all fees relating to the UCI: fees for financial management, administration, accounting, custody, distribution, audit fees etc. These fees are charged through the income statement for the UCI. Management fees do not include transaction fees. For further details on the fees actually charged to the UCI, please refer to the prospectus.
They are recorded *pro rata temporis* at each net asset value calculation.

The combined total of these fees is limited to the maximum fee rate for net assets, as indicated in the prospectus or the Fund regulations: I unit: 0.25% inclusive of tax/R units: 0.55% inclusive of tax/CNP Assur Crédit Euro 1-3 unit: 0.25% incl. tax.

5. Annual financial statements

Allocation of distributable income

Definition of distributable income

Distributable income consists of:

Income:

Net income for the financial year is equal to the interest, arrears, premiums and bonuses, dividends, directors' fees and all other income generated by the securities held in the portfolio, plus income generated by temporary cash holdings, less management fees and borrowing costs.
It is increased by retained earnings and increased or reduced by the balance of the accrual account.

Gains and losses:

The gains realised, net of fees, less the losses realised, net of fees, recorded in the financial year, plus the net gains of the same type recognised in previous years that have not been distributed or accumulated, plus or minus the balance of the profit/loss equalisation account.

Allocation of distributable income:

Unit(s)	***Allocation of net income***	***Allocation of net realised profits or losses***
OSTRUM CREDIT EURO 1-3 I(C) units	Accumulation	Accumulation
OSTRUM CREDIT EURO 1-3 I(D) units	Distribution	Accumulation
OSTRUM CREDIT EURO 1-3 N(C) units	Accumulation	Accumulation
OSTRUM CREDIT EURO 1-3 R(C) units	Accumulation	Accumulation

5. Annual financial statements

■ 2. CHANGE IN NET ASSETS AT 30/06/2023 IN EUR

	30/06/2023	30/06/2022
NET ASSETS AT THE START OF THE FINANCIAL YEAR	**121,580,518.86**	**144,380,073.59**
Subscriptions (including subscription fees accruing to the UCI)	6,420,413.05	1,137,868.96
Redemptions (less redemption fees accruing to the UCI)	-90,749,573.49	-17,003,629.72
Gains realised on deposits and financial instruments	0.00	39,818.29
Losses realised on deposits and financial instruments	-11,152,976.76	-1,083,739.44
Gains realised on forward financial instruments	0.00	0.00
Losses realised on forward financial instruments	0.00	0.00
Transaction fees	0.00	0.00
Exchange rate differences	0.00	0.00
Changes in the valuation difference for deposits and financial instruments	9,651,908.78	-6,155,458.32
Valuation difference, financial year N	*-3,466,993.96*	*-13,118,902.74*
Valuation difference, financial year N-1	*13,118,902.74*	*6,963,444.42*
Changes in the valuation difference for forward financial instruments	0.00	0.00
Valuation difference, financial year N	*0.00*	*0.00*
Valuation difference, financial year N-1	*0.00*	*0.00*
Dividends paid in the previous financial year on net gains and losses	0.00	0.00
Dividends paid in the previous financial year on income	-1,433,988.66	-1,642,327.53
Net income for the financial year before accruals	1,188,398.34	1,907,913.03
Interim dividend(s) paid during the financial year on net gains and losses	0.00	0.00
Interim dividend(s) paid during the financial year on income	0.00	0.00
Other items	-50.00(*)	0.00
NET ASSETS AT THE END OF THE FINANCIAL YEAR	**35,504,650.12**	**121,580,518.86**

(*) 30/06/2023: Annual LEI certification fees: €-50.00

5. Annual financial statements

■ 3. ADDITIONAL INFORMATION

■ 3.1. BREAKDOWN OF FINANCIAL INSTRUMENTS BY LEGAL OR ECONOMIC TYPE

	Amount	%
OFF-BALANCE SHEET ITEMS		
HEDGING TRANSACTIONS		
TOTAL HEDGING TRANSACTIONS	**0.00**	**0.00**
OTHER TRANSACTIONS		
TOTAL OTHER TRANSACTIONS	**0.00**	**0.00**

■ 3.2. BREAKDOWN OF ASSETS, LIABILITIES AND OFF-BALANCE SHEET ITEMS BY RATE TYPE

	Fixed rate	%	Variable rate	%	Adjustable rate	%	Other	%
OFF-BALANCE SHEET ITEMS								
Hedging transactions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other transactions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

5. Annual financial statements

■ 3.3. BREAKDOWN OF ASSETS, LIABILITIES AND OFF-BALANCE SHEET ITEMS BY RESIDUAL MATURITY(*)

	< 3 months	%	]3 months - 1 year]	%	]1 - 3 years]	%	]3 - 5 years]	%	> 5 years	%
OFF-BALANCE SHEET ITEMS										
Hedging transactions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other transactions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

(*) Positions in interest rate futures are shown based on the maturity of the underlying asset.

■ 3.4. BREAKDOWN OF ASSETS, LIABILITIES AND OFF-BALANCE SHEET ITEMS BY LISTING OR VALUATION CURRENCY (NON-EURO)

	Currency 1		Currency 2		Currency 3		Currency N OTHER(S)	
	Amount	%	Amount	%	Amount	%	Amount	%
ASSETS								
Master UCI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Receivables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LIABILITIES								
Payables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OFF-BALANCE SHEET ITEMS								
Hedging transactions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other transactions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

5. Annual financial statements

■ 3.5. RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE

	Type of debit/credit	30/06/2023
RECEIVABLES		
TOTAL RECEIVABLES		**0.00**
PAYABLES		
	Fixed management fees	13,630.81
TOTAL PAYABLES		**13,630.81**
TOTAL PAYABLES AND RECEIVABLES		**-13,630.81**

■ 3.6. SHAREHOLDERS' EQUITY

• 3.6.1. Number of securities issued or redeemed

	Units	Amount
OSTRUM SRI CREDIT EURO 1-3 I(C) units		
Units subscribed during the financial year	22,528.8085	3,453,627.82
Units redeemed during the financial year	-55,036.5997	-8,400,761.48
Net subscriptions/redemptions	-32,507.7912	-4,947,133.66
Number of units outstanding at the end of the financial year	73,715.8514	
OSTRUM SRI CREDIT EURO 1-3 I(D) units		
Units subscribed during the financial year	41.4782	2,868.46
Units redeemed during the financial year	-1,150,801.0470	-78,309,319.96
Net subscriptions/redemptions	-1,150,759.5688	-78,306,451.50
Number of units outstanding at the end of the financial year	231,357.2693	
OSTRUM SRI CREDIT EURO 1-3 N(C) units		
Units subscribed during the financial year	0.00	0.00
Units redeemed during the financial year	-209.4030	-20,498.74
Net subscriptions/redemptions	-209.4030	-20,498.74
Number of units outstanding at the end of the financial year	1,225.0617	
OSTRUM SRI CREDIT EURO 1-3 R(C) units		
Units subscribed during the financial year	25,369.5273	2,963,916.77
Units redeemed during the financial year	-34,474.9699	-4,018,993.31
Net subscriptions/redemptions	-9,105.4426	-1,055,076.54
Number of units outstanding at the end of the financial year	70,011.3357	

5. Annual financial statements

• **3.6.2. Subscription and/or redemption fees**

	Amount
OSTRUM SRI CREDIT EURO 1-3 I(C) units	
Total subscription and/or redemption fees accrued	0.00
Subscription fees accrued	0.00
Redemption fees accrued	0.00
OSTRUM SRI CREDIT EURO 1-3 I(D) units	
Total subscription and/or redemption fees accrued	0.00
Subscription fees accrued	0.00
Redemption fees accrued	0.00
OSTRUM SRI CREDIT EURO 1-3 N(C) units	
Total subscription and/or redemption fees accrued	0.00
Subscription fees accrued	0.00
Redemption fees accrued	0.00
OSTRUM SRI CREDIT EURO 1-3 R(C) units	
Total subscription and/or redemption fees accrued	0.00
Subscription fees accrued	0.00
Redemption fees accrued	0.00

5. Annual financial statements

■ 3.7. MANAGEMENT FEES

	30/06/2023
OSTRUM SRI CREDIT EURO 1-3 I(C) units	
Guarantee fees	0.00
Fixed management fees	37,126.21
Percentage of fixed management fees	0.25
Retrocessions of management fees	0.00
OSTRUM SRI CREDIT EURO 1-3 I(D) units	
Guarantee fees	0.00
Fixed management fees	149,105.99
Percentage of fixed management fees	0.25
Retrocessions of management fees	0.00
OSTRUM SRI CREDIT EURO 1-3 N(C) units	
Guarantee fees	0.00
Fixed management fees	342.29
Percentage of fixed management fees	0.25
Retrocessions of management fees	0.00
OSTRUM SRI CREDIT EURO 1-3 R(C) units	
Guarantee fees	0.00
Fixed management fees	48,294.29
Percentage of fixed management fees	0.55
Retrocessions of management fees	0.00

■ 3.8. COMMITMENTS RECEIVED AND GIVEN

• 3.8.1. Guarantees received by the UCI:

None.

• 3.8.2. Other commitments received and/or given:

None.

5. Annual financial statements

3.9. OTHER INFORMATION

3.9.1. Current value of financial instruments acquired under securities financing transactions

	30/06/2023
Securities received under reverse repurchase agreements	0.00
Borrowed securities	0.00

3.9.2. Current value of financial instruments constituting collateral deposits

	30/06/2023
Financial instruments given as collateral and retained under their original entry	0.00
Financial instruments received as collateral and not posted in the balance sheet	0.00

3.9.3. Financial instruments held, issued and/or managed by the Group

	ISIN code	Denomination	30/06/2023
Equities			0.00
Bonds			0.00
Negotiable debt securities			0.00
UCIs			32,362,299.11
	LU1118011771	OSTRUM EURO ST CRED SI/D (EUR) DIS	32,362,299.11
Forward financial instruments			0.00
Total Group securities			**32,362,299.11**

5. Annual financial statements

■ 3.10. ALLOCATION OF DISTRIBUTABLE INCOME

• Allocation table for the portion of distributable income relating to profit/loss

	30/06/2023	30/06/2022
Amounts still to be allocated		
Retained earnings	352.32	9,839.43
Income	438,997.37	1,781,971.53
Interim dividends paid on income for the financial year	0.00	0.00
Total	**439,349.69**	**1,791,810.96**

	30/06/2023	30/06/2022
OSTRUM SRI CREDIT EURO 1-3 I(C) units		
Allocation		
Distribution	0.00	0.00
Retained earnings for the financial year	0.00	0.00
Accumulation	147,470.34	241,191.06
Total	**147,470.34**	**241,191.06**

	30/06/2023	30/06/2022
OSTRUM SRI CREDIT EURO 1-3 I(D) units		
Allocation		
Distribution	205,907.97	1,437,401.51
Retained earnings for the financial year	1,954.22	2,103.67
Accumulation	0.00	0.00
Total	**207,862.19**	**1,439,505.18**
Information on units with distribution rights		
Number of units	231,357.2693	1,382,116.8381
Distribution per unit	0.89	1.04
Tax credit		
Tax credit relating to the distribution of income	**0.00**	**0.00**

5. Annual financial statements

	30/06/2023	30/06/2022
OSTRUM SRI CREDIT EURO 1-3 N(C) units		
Allocation		
Distribution	0.00	0.00
Retained earnings for the financial year	0.00	0.00
Accumulation	1,564.19	2,078.77
Total	**1,564.19**	**2,078.77**

	30/06/2023	30/06/2022
OSTRUM SRI CREDIT EURO 1-3 R(C) units		
Allocation		
Distribution	0.00	0.00
Retained earnings for the financial year	0.00	0.00
Accumulation	82,452.97	109,035.95
Total	**82,452.97**	**109,035.95**

5. Annual financial statements

• **Allocation table for the portion of distributable income relating to net profits and losses**

	30/06/2023	30/06/2022
Amounts still to be allocated		
Undistributed prior net gains and losses	0.00	0.00
Net gains and losses for the financial year	-7,905,123.35	-990,745.24
Interim dividends paid on net gains and losses for the financial year	0.00	0.00
Total	**-7,905,123.35**	**-990,745.24**

	30/06/2023	30/06/2022
OSTRUM SRI CREDIT EURO 1-3 I(C) units		
Allocation		
Distribution	0.00	0.00
Undistributed net gains and losses	0.00	0.00
Accumulation	-2,519,006.28	-132,085.84
Total	**-2,519,006.28**	**-132,085.84**

	30/06/2023	30/06/2022
OSTRUM SRI CREDIT EURO 1-3 I(D) units		
Allocation		
Distribution	0.00	0.00
Undistributed net gains and losses	0.00	0.00
Accumulation	-3,531,106.58	-782,083.54
Total	**-3,531,106.58**	**-782,083.54**

	30/06/2023	30/06/2022
OSTRUM SRI CREDIT EURO 1-3 N(C) units		
Allocation		
Distribution	0.00	0.00
Undistributed net gains and losses	0.00	0.00
Accumulation	-26,716.95	-1,138.38
Total	**-26,716.95**	**-1,138.38**

5. Annual financial statements

	30/06/2023	30/06/2022
OSTRUM SRI CREDIT EURO 1-3 R(C) units		
Allocation		
Distribution	0.00	0.00
Undistributed net gains and losses	0.00	0.00
Accumulation	-1,828,293.54	-75,437.48
Total	**-1,828,293.54**	**-75,437.48**

5. Annual financial statements

▪ 3.11. TABLE OF RESULTS AND OTHER SIGNIFICANT ITEMS OVER THE LAST FIVE FINANCIAL YEARS

	28/06/2019	30/06/2020	30/06/2021	30/06/2022	30/06/2023
Total net assets in EUR	**246,045,117.11**	**168,043,632.14**	**144,380,073.59**	**121,580,518.86**	**35,504,650.12**
OSTRUM SRI CREDIT EURO 1-3 I(C) units in EUR					
Net assets	95,951,283.86	37,687,654.93	26,053,660.48	16,256,051.25	11,317,308.81
Number of securities	603,166.3477	241,564.6079	163,300.5564	106,223.6426	73,715.8514
Net asset value per unit	159.07	156.01	159.54	153.03	153.52
Accumulation per unit from net gains/losses	-1.63	-3.30	-1.73	-1.24	-34.17
Accumulation per unit from income	2.55	2.49	2.56	2.27	2.00
OSTRUM SRI CREDIT EURO 1-3 I(D) units in EUR					
Net assets	114,886,747.91	103,577,841.44	102,906,595.82	95,915,553.43	15,863,683.73
Number of securities	1,517,354.7635	1,417,663.2621	1,399,547.0608	1,382,116.8381	231,357.2693
Net asset value per unit	75.71	73.06	73.52	69.39	68.56
Accumulation per unit from net gains/losses	-0.73	-1.55	-0.80	-0.56	-15.26
Distribution per unit from income	1.22	1.17	1.19	1.04	0.89
Tax credit per unit	0.00	0.00	0.00	0.00	0.00
OSTRUM SRI CREDIT EURO 1-3 N(C) units in EUR					
Net assets	2,407,655.33	2,864,194.81	2,254,326.05	140,101.93	120,033.05
Number of securities	23,714.8517	28,765.8057	22,139.8894	1,434.4647	1,225.0617
Net asset value per unit	101.52	99.56	101.82	97.66	97.98
Accumulation per unit from net gains/losses	-0.77	-2.10	-1.10	-0.79	-21.80
Accumulation per unit from income	0.74	1.58	1.63	1.44	1.27

5. Annual financial statements

■ 3.11. TABLE OF RESULTS AND OTHER SIGNIFICANT ITEMS OVER THE LAST FIVE FINANCIAL YEARS

	28/06/2019	30/06/2020	30/06/2021	30/06/2022	30/06/2023
OSTRUM SRI CREDIT EURO 1-3 R(C) units in EUR					
Net assets	32,799,430.01	23,913,940.96	13,165,491.24	9,268,812.25	8,203,624.53
Number of securities	266,916.0215	199,029.7079	107,471.0406	79,116.7783	70,011.3357
Net asset value per unit	122.88	120.15	122.50	117.15	117.17
Accumulation per unit from net gains/losses	-1.26	-2.54	-1.33	-0.95	-26.11
Accumulation per unit from income	1.61	1.55	1.60	1.37	1.17

5. Annual financial statements

■ 3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS IN EUR

Name of security	Currency	Quantity (number or nominal value)	Current value	% of net assets
Undertakings for collective investment				
General-purpose UCITS and AIFs intended for non-professionals, and equivalents in other countries				
LUXEMBOURG				
OSTRUM EURO ST CRED SI/D (EUR) DIS	EUR	369,095.5647	32,362,299.11	91.15
TOTAL LUXEMBOURG			**32,362,299.11**	**91.15**
TOTAL general-purpose UCITS and AIFs and their equivalents in other countries intended for non-professional investors			**32,362,299.11**	**91.15**
TOTAL Undertakings for collective investment			**32,362,299.11**	**91.15**
Payables			**-13,630.81**	**-0.04**
Financial accounts			**3,155,981.82**	**8.89**
Net assets			**35,504,650.12**	**100.00**

5. Annual financial statements

■ **Additional information about the coupon tax system**

Coupon breakdown: OSTRUM SRI CREDIT EURO 1-3 I(D) units

	TOTAL NET	CURRENCY	NET PER UNIT	CURRENCY
Income subject to compulsory non-definitive withholding tax	13,881.44	EUR	0.06	EUR
Shares giving entitlement to reductions and subject to compulsory non-definitive withholding tax	0.00		0.00	
Other income not giving entitlement to reductions and subject to compulsory non-definitive withholding tax	192,026.53	EUR	0.83	EUR
Non-reportable and non-taxable income	0.00		0.00	
Amount distributed on profits and losses	0.00		0.00	
TOTAL	205,907.97	EUR	0.89	EUR

6. Note(s) to the Financial Statements

As at 30 June 2023, 91.15% of the OSTRUM SRI Crédit Euro1-3 fund is invested in its master fund, OSTRUM SRI Crédit Short Duration.

The information below therefore relates to the OSTRUM SRI Crédit Short Duration fund.

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

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

Product name: **Ostrum SRI Credit Euro 1-3**
Legal entity identifier: 969500F69I8HDN1A0650

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**

☐ It made **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 made **sustainable investments with a social objective:** ___%

☒ **No**

☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 5% 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 promoted E/S characteristics, but **did not make any sustainable investments**

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.

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promoted environmental and social characteristics to maintain a higher ESG rating than that of its SRI investment universe (as defined below) while avoiding issuers based on the sectoral and exclusion policies, including the worst offenders of core standards of responsibility.

In addition, the intensity of the Fund's GHG emissions must be lower than that of its SRI investment universe.

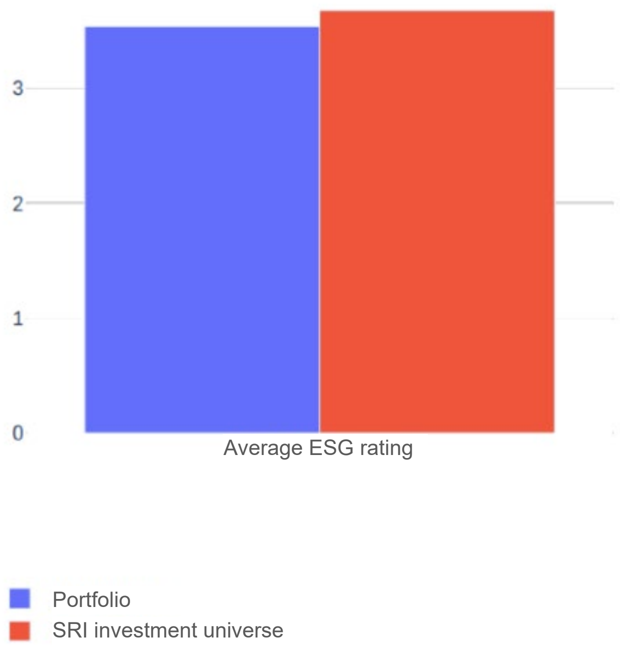
No Reference Benchmark has been designated with the aim of attaining the environmental and social characteristics promoted by the Fund.

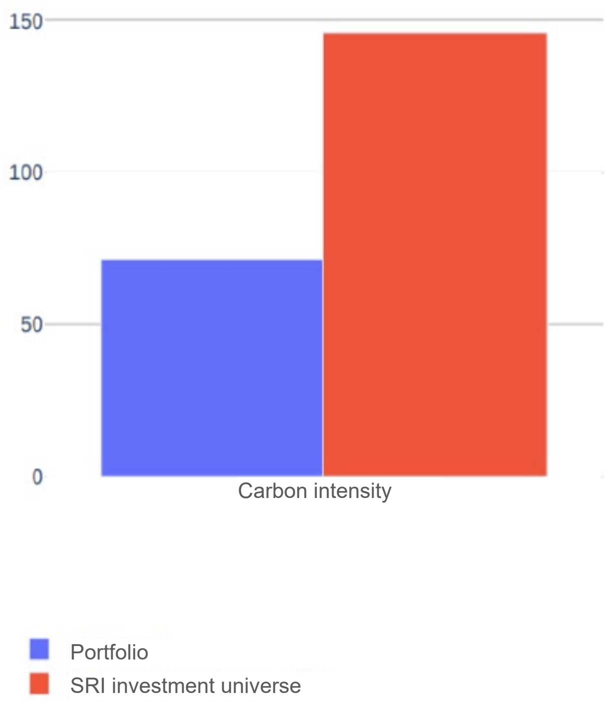
Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

How did the sustainability indicators perform?

As at 30 June 2023, the results of the sustainability indicators are as follows:

- Fund's average ESG rating: 3.54 (GrEaT score)
- SRI investment universe's average ESG rating: 3.68 (GrEaT score)
- Carbon intensity of the Fund: 71.44
- Carbon intensity of the SRI investment universe: 145.66
- Number of securities not in compliance with OSTRUM exclusion policies: 0





What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

Sustainable investments that enable funds to be raised for activities contributing to an environmental or social objective based on the financed project.

They include green bonds, social bonds and bonds linked to the Fund's sustainable development.

The sustainable investment objectives are:

- Green bonds, which finance projects supporting the ecological & energy transition
- Renewable energies
- Efficient energies
- Control & prevention of pollution
- Sustainable environmental management of natural resources and land use
- Social bonds, which finance projects aimed at solving or minimising social issues
- Access to basic resources (drinking water, sanitation etc.)
- Access to primary needs (healthcare, housing, education, training)
- Creation of jobs, Digital access etc.

Sustainable bonds, which finance the needs of companies with an ambitious CSR approach. These bonds are based on pre-defined sustainability objectives.

Sustainable investments contribute to the following objectives:

- To achieve a better average ESG rating than its SRI investment universe.
- To have a carbon intensity lower than that of its SRI investment universe.
- To ensure that the public expenditure on education is higher than that of its SRI investment universe.

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 did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager took into account all principal adverse impacts (PAI) at entity level on a quantitative basis (PAI data will be disclosed in a report published annually on the Investment Manager's website before 30 June). By taking into account the PAI indicators, the Investment Manager can check that sustainable investments do not harm other objectives. In addition, the Investment Manager applies its exclusion policies (in particular relating to the worst offenders) and constantly monitors controversies.

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

The Investment Manager took into account all principal adverse impacts (PAI) at entity level on a quantitative basis (PAI data will be disclosed in a report published annually on the Investment Manager's website before 30 June).

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

The Investment Manager applied its exclusion policies (in particular relating to the worst offenders) and constantly monitors controversies.

How did this financial product consider principal adverse impacts on sustainability factors?

All compulsory PAI indicators have been taken into account. The intensity of the portfolio's GHG emissions is monitored to be kept at a level lower than that of the SRI investment universe.

More information on Principal Adverse Impacts in relation to sustainability can be found in the periodic report in accordance with Article 11(2) of the SFDR.

What were the top investments of this financial product?

Please refer to the Investment Top 15 below:

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/07/2022-30/06/2023

Largest investments	Sector	% Assets	Country
OSTRUM EURO ABS OPPORTUNITIES.SICEUR	Advisory services	3.14	France
ALLIANZ SE TR	Multiline Insurance	2.53	Germany
BNP PARIBAS 1.000% 29-11-24	Life/Health Insurance	2.45	France
OSTRUM SRI GLOBAL SUBORDINATED DEBT I A	Bond UCIs	2.36	Luxembourg
OSTRUM SHORT TERM GLO.HIG. INCOM. H-SC E	Bond UCIs	2.19	Luxembourg
INTESA SANPAOLO 6.625% 13-09-23	Non-US Commercial Banks	1.85	Italy
ENI SPA 4.000% 12-09-23	Integrated Oil Company	1.85	Italy
AXA SA TR 04-07-43	Home/Casualty Insurance	1.75	France
HSBC HOLDINGS 3.000% 30-06-25	Diversified Bank	1.71	United Kingdom
UPJOHN FINANCE 1.023% 23-06-24	Pharmaceuticals	1.70	United States
BNZ INTL FUND/LN 0.375% 14-09-24	Non-US Commercial Banks	1.68	New Zealand
OSTRUM EURO ABS IG .SICEUR	Bond UCIs	1.51	France
BARCLAYS PLC TR 02-04-25	Diversified Bank	1.50	United Kingdom

Largest investments	Sector	% Assets	Country
ALD SA 4.250% 18-01-27	Vehicle Leasing/Equipment	1.27	France
NEXITY TR 14-01-24	Property – Operation and development	1.26	France

The country shown is the risk country.

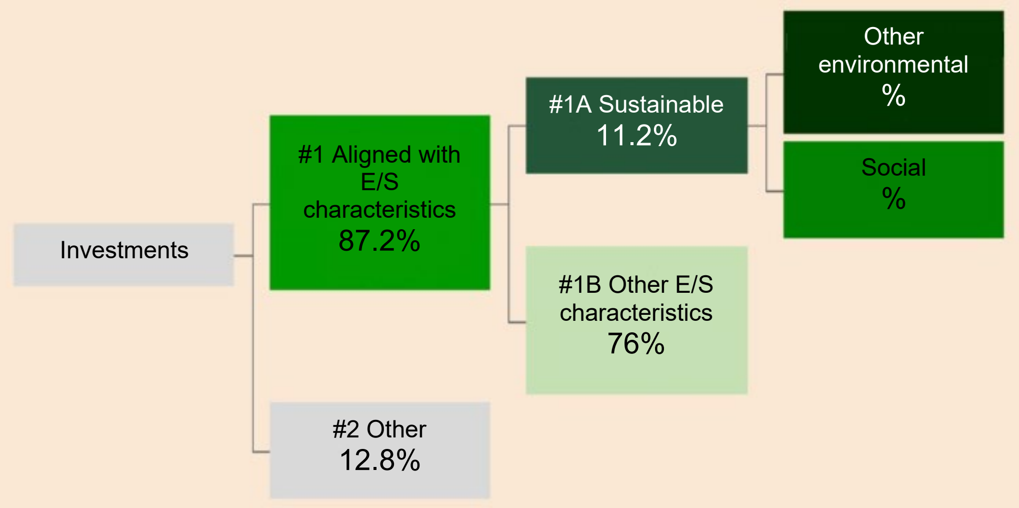
Asset allocation describes the share of investments in specific assets.

What was the proportion of sustainability-related investments?

At 30 June 2023, the proportion of sustainable investments was 11.2%

What was the asset allocation?

As at 30 June 2023, the Fund invested 87.2% of its net assets in securities that are aligned with Environmental and Social characteristics (#1 Aligned with E/S characteristics). As a result, the Fund invested 12.8% of its net assets in category #2. Other.



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

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category #1 Aligned with E/S characteristics covers:

- The sub-category #1A Sustainable covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- ***In which economic sectors were the investments made?***

All economic sectors belonging to the investment universe except those subject to exclusions, in accordance with the exclusion policies applying to the fund.

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.

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

Not applicable

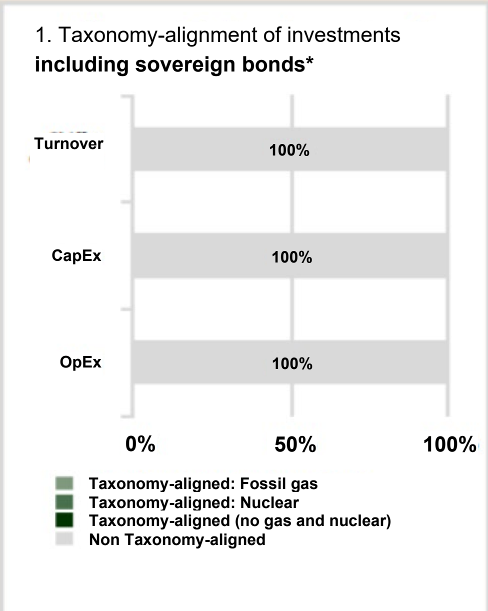
- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?**

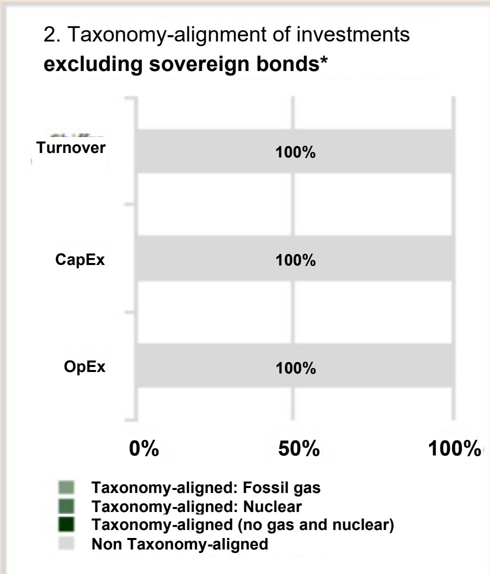
☐ Yes

☐ In gas ☐ In nuclear energy

☒ No

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





This graph represents 100% of the total investments.

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

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

At the reporting date, based on data reported/estimated by issuers, the Management Company did not identify any gas and nuclear taxonomy-alignment in the investment portfolio.

What was the share of investments made 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 Regulation (EU) 2020/852.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

Sustainable investments are green bonds, social bonds or bonds linked to sustainable development that may contribute to an environmental or social objective, but there is no minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy Regulation.

What was the share of socially sustainable investments?

Sustainable investments are green bonds, social bonds or bonds linked to sustainable development that may contribute to an environmental or social objective. The specific minimum share of socially sustainable investments has been set at 1%.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

Investments in the following products are included in the "#2 Other" category: liquidities, funds, derivatives (including Credit Default Swaps and iTraxx) for investment hedging purposes. Minimum environmental or social safeguards are not systematically applied.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

With respect to the application of models, the management teams have systematically taken environmental, social and governance considerations into account in the investment selection process. Regular monitoring of the non-financial ratings of securities is carried out to ensure that no investments conflict with the Fund's ESG philosophy.

How did this financial product perform compared to the reference benchmark?

Not applicable

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How does the reference benchmark differ from a broad market index?***

Not applicable

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

Not applicable

- ***How did this financial product perform compared to the reference benchmark?***

Not applicable

- ***How did this financial product perform compared with the broad market index?***

Not applicable

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