

# NATIXIS SOUVERAINS EURO SICAV

## PROSPECTUS

DATED 3 NOVEMBER 2017

### I GENERAL FEATURES

#### **I-1 Form of the UCITS**

**Name:** NATIXIS SOUVERAINS EURO, hereinafter referred to as the 'SICAV' or the 'UCITS' in this document

Registered office: Immeuble Grand Seine  
21 quai d'Austerlitz, 75634 Paris Cedex 13

- **Legal form:** French open-ended investment company with variable capital (SICAV).
- **Inception date and expected term:** The SICAV was created on 19 January 1994 for an initial term of 99 years.
- **Date of AMF approval:**  
The SICAV was approved by the Autorité des marchés financiers (AMF), the French financial markets authority, on 23 November 1993.
- **Summary of the management offer:**

| Type of share | Target subscribers | Minimum initial subscription  | Minimum subsequent subscription | ISIN code  | Allocation of distributable income     | Base currency | Initial net asset value |
|---------------|--------------------|-------------------------------|---------------------------------|--|--|---------------|-------------------------|
| R shares      | All subscribers    | One ten-thousandth of a share | One ten-thousandth of a share   | R(C) shares:<br>FR0000003196<br><br>R(D) shares:<br>FR0000171233 | Accumulation<br>And/or<br>Distribution | Euro          | EUR 152.45              |

| Type of share    | Target subscribers   | Minimum initial subscription | Minimum subsequent subscription | ISIN code    | Allocation of distributable income | Base currency | Initial net asset value |
|------------------|--|------------------------------|---------------------------------|--------------|------------------------------------|---------------|-------------------------|
| I(C) shares      | All subscribers meeting the conditions in the 'target subscribers' section | EUR 100,000                  | One ten-thousandth of a share   | FR0010655456 | Accumulation                       | Euro          | EUR 100,000             |
| N(C) shares      | All subscribers meeting the conditions in the 'target subscribers' section | EUR 50,000                   | One ten-thousandth of a share   | FR0011505098 | Accumulation                       | Euro          | EUR 1,000               |
| UNICREDIT shares | All investors, intended particularly for Unicredit                         | EUR 100,000                  | One ten-thousandth of a share   | FR0012872083 | Accumulation                       | Euro          | EUR 1,000               |
| SN(C) shares     | All investors, intended particularly for the NGAM-D distribution network   | EUR 60,000,000               | One ten-thousandth of a share   | FR0013029113 | Accumulation                       | Euro          | EUR 1,000               |
| SN(D) shares     | All investors, intended particularly for the NGAM-D distribution network   | EUR 60,000,000               | One ten-thousandth of a share   | FR0013292273 | Distribution                       | Euro          | EUR 1,000               |

**• Address from which the SICAV's articles of association, if not appended to this document, the latest annual and interim reports and the asset composition may be obtained:**

The latest annual report and asset composition details will be sent to the shareholder within eight business days of receipt of a written request to:

Natixis Asset Management  
Immeuble Grand Seine, 21 quai d'Austerlitz, 75634 Paris Cedex 13, France.  
These documents are also available on request from the following email address:  
nam-service-clients@am.natixis.com

**• Information for professional investors:**

NATIXIS ASSET MANAGEMENT may send the breakdown of the UCI's portfolio to investors classified as professional investors by the ACPR, the AMF or equivalent European authorities, for the sole purpose of calculating regulatory requirements under Directive 2009/138/EC (Solvency II).

## II – PARTIES INVOLVED

### • Delegated financial, administrative and accounting manager:

- Company name: Natixis Asset Management
- Legal form: Limited company (*société anonyme*) approved by the Autorité des marchés financiers, hereinafter referred to as ‘the AMF’, under number GP 90-009 on 22 May 1990.
- Registered office: Immeuble Grand Seine – 21 quai d’Austerlitz, 75013 Paris, France.
- Postal address: Immeuble Grand Seine – 21 quai d’Austerlitz, 75634 Paris Cedex 13, France.

### • Depository and custodian:

- Company name: CACEIS BANK
- Legal form: Credit institution approved by the CECEI (French Credit Institutions and Investment Firms Committee)
- Registered office: 1-3, place Valhubert, 75013 Paris, France
- Postal address: 1-3, place Valhubert, 75206 Paris Cedex 13, France

As set out in the applicable Regulations, the depository’s duties include custody of the assets, checking that the management company’s decisions are lawful, and monitoring UCITS’ cash flows. The depository is independent of the management company.

The description of the delegated custodial duties, the list of custodians and sub-custodians of CACEIS Bank and information relating to conflicts of interest that may result from these delegations are available on the CACEIS website: [www.caceis.com](http://www.caceis.com)

Updated information is made available to investors upon request.

### • Prime broker:

None.

### • Statutory auditor:

- Company name: MAZARS
- Registered office: 67 rue Henri Regnault, 92075 PARIS LA DEFENSE CEDEX, France
- Signatory: Mr Pierre Masieri

### • Marketing agents:

- Company name: Natixis Asset Management
- Legal form: Limited company (*société anonyme*) approved as a management company under number GP 90-009 on 22 May 1990
- Registered office: Immeuble Grand Seine – 21 quai d’Austerlitz, 75013 Paris, France.
- Postal address: Immeuble Grand Seine – 21 quai d’Austerlitz, 75634 Paris Cedex 13, France.

Natixis Asset Management reserves the right to delegate all or part of the investment activity relating to the SICAV’s shares to distributor networks with which it has entered into an investment agreement.

The marketing agent is the organisation responsible for the marketing of the SICAV’s shares.

### • Sub-delegation:

#### *Sub-delegated party responsible for accounting:*

- Company name: CACEIS FUND ADMINISTRATION
- Registered office: 1-3, place Valhubert, 75013 Paris, France.
- Postal address: 1-3, place Valhubert, 75206 Paris Cedex 13, France.

- Nationality: CACEIS FUND ADMINISTRATION is a company under French law.

The sub-delegation of management covers all aspects of the SICAV's accounting management.

• **Advisers:** None

• **Identity and functions of the members of the governing bodies of the SICAV and principal business activities of these individuals outside the company:**

The composition of the SICAV's Board of Directors, at the time of publishing this prospectus, is detailed in the SICAV's annual report.

### III – OPERATING AND MANAGEMENT PROCEDURES

#### **1. General features**

• ***Features of the shares:***

- Rights associated with the share class: The investor has a right of ownership to the SICAV's capital.
- Voting rights: The investor has a voting right attached to shares for use at general meetings of shareholders.
- Type of shares: registered and bearer. For registered shares, these are subject to entry in an individual account in accordance with the terms and conditions defined by current legislative and regulatory provisions.  
The rights of the holders of these registered shares are represented by an entry in the account in their name with the issuer, as a 'pure registered account'.
- Decimalisation (fractioning): R, I(C), N(C), UNICREDIT and SN(C) shares may be divided, at the discretion of the Board of Directors, into ten-thousandths of a share known as fractions of shares.
- Registration of shares on Euroclear France: yes.

• ***Financial year-end:***

The last Paris stock exchange trading day in March.

First year-end: last stock exchange trading day in March 1995.

• ***Tax information:***

The SICAV is not subject to corporation tax in France on profits made in connection with its legal purpose and it is not considered a French tax resident under French law.

The tax regime applicable for the income, remuneration and/or capital gains that may be distributed by the SICAV or associated with the holding of shares in this SICAV will depend on the specific tax status of the shareholder. The tax regime may vary depending on the tax jurisdiction applicable to the shareholder and to the transactions carried out as part of the management of the SICAV.

Any income, remuneration and/or capital gains relating to transactions carried out in connection with the management of the SICAV and/or the holding of shares in the SICAV could be subject to withholding and/or taxation at source in some of the jurisdictions involved. Any income, remuneration and/or capital gains are also liable to be subject to withholding tax and/or taxation at source in France when distributed by the SICAV.

Shareholders are advised to contact their adviser or another investment professional if they have any questions regarding their tax situation.

## **2. Specific provisions**

### **• ISIN codes:**

| Type of shares   | ISIN code  |
|------------------|--|
| R shares         | R(C) shares: FR0000003196<br>R(D) shares: FR0000171233 |
| I(C) shares      | FR0010655456   |
| N(C) shares      | FR0011505098   |
| UNICREDIT shares | FR0012872083   |
| SN(C) shares     | FR0013029113   |
| SN(D) shares     | FR0013292273   |

• **Classification:** Bonds and other debt securities denominated in euros.

### **• Holding of shares or units in other UCITS, AIFs or investment funds:**

The SICAV's level of exposure to UCITS/AIFs/investment funds is less than 10% of its net assets.

### **• Management objective:**

The SICAV's objective is to outperform the JP Morgan Global EMU index (closing value) by way of active management of modified duration and of the yield curve of the different eurozone states.

### **• Benchmark:**

The benchmark index is the JP Morgan Global EMU index. This index measures the performance of eurozone government bonds of any maturity.  
It is calculated with coupons included.

The JP Morgan Global EMU index provider is JP Morgan, whose website is: [www.jpmorgan.com](http://www.jpmorgan.com).

It must be noted that as the management of the SICAV is not index-based, the SICAV's performance may potentially differ considerably from that of its benchmark index.

### **• Investment strategy:**

The SICAV's investment strategy may be described as index-based active management, which aims primarily to obtain a return which is on par with its benchmark index.

The NATIXIS SOUVERAINS EURO SICAV forms part of Natixis Asset Management's global 'Euro bond' management process, an active and fundamental management style based on a 'top down' approach, i.e. an approach that consists of focusing on the overall distribution of the portfolio and then selecting the securities that make up the portfolio based on criteria such as the term of the securities, the yield curve, the level of inflation and a 'bottom up' approach, in which sovereign securities are selected for inclusion in the portfolio, followed by overall analysis of the portfolio.

### **1) Description of the strategies used to achieve the management objective:**

With a view to outperforming its benchmark, the manager may, at their discretion, overexpose or underexpose the SICAV's portfolio, namely via forward financial instruments or temporary sales/purchases or securities within the applicable regulatory limits<sup>1</sup>.

More specifically, the investment strategy will be based on the following stages:

- **Analysis and forecasting:** the analysis relies on the establishment of a macroeconomic scenario based on macroeconomic and market data to forecast 3-, 6- and 12-month interest rates for G4 countries (i.e. Germany/USA/UK/Japan). This scenario is enhanced by forecasts and investment policies specific to fixed income markets;
- **Definition of the overall investment strategy:** determination of the portfolio's target modified duration exposure, based on the active management of the yield curve (see above).

The portfolio is constructed by allocating sources of added value: active management of modified duration, active management of the yield curve, country selection and possible diversification into inflation-indexed securities. This construction is based on tactical choices regarding the above criteria and the analysis of the relative value of the securities comprising the investment universe.

The main source of added value stems primarily from a rigorous and structured investment process with the aim of profiting from:

- the active management of the portfolio's modified duration (process of selecting securities and using forward financial instruments to cause the modified duration to vary in relation to that of its benchmark index, within a range of 1 to 12 at its broadest and 3 to 9 in its target range;
- the active management of the yield curve: this consists of selecting the most attractive areas of the euro yield curve in terms of return and according to the yield curve distortion scenarios drawn up by Natixis Asset Management's management committees;
- the diversification of the portfolio, particularly via inflation-indexed bonds to anticipate changes in the level of inflation;
- the selection of portfolio securities (inter-market arbitrage in the eurozone).

### **2) Description of asset classes and financial contracts in which UCITS intends to invest and their contribution to the achievement of the management objective:**

#### **2.1 Equities**

None

#### **2.2 Debt securities and money market instruments**

Beyond cash and units and/or shares of UCITS, AIFs or investment funds, the SICAV is invested exclusively in securities issued and/or guaranteed by eurozone member states and denominated in EUR, which may take the form, for example, of:

- ◆ **Bonds:**
  - Fixed rates
  - Variable rates (particularly inflation-indexed bonds)
- ◆ **Negotiable debt securities:**
  - Fixed-rate treasury bills (BTF)

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<sup>1</sup> For more details on the limits of use of forward financial instruments and temporary sales/purchases of securities, investors should read the most recent amendments to this section and consult the 'risk profile' section.

- Fixed-rate annual interest treasury bills (BTAN)

The SICAV will not invest in securities representative of private-sector debt.

Furthermore, as regards exclusive investment in sovereign securities, there will be no minimum rating constraint on the securities in which the SICAV invests.

The modified duration of the SICAV's portfolio will be between 1 and 12.

|                                      |                               | Minimum | Maximum |
|--------------------------------------|-------------------------------|---------|---------|
| <b>Modified duration range</b>       |                               | 1       | 12      |
| <b>Issuers' geographical region*</b> | Eurozone exposure             | 0       | 100%    |
|                                      | Exposure outside the eurozone | 0       | 0       |

\*Calculations based on a % of the UCITS' total exposure

## **2.3 Specific instruments**

### **2.3.1 Holding of units or shares of other UCITS/AIFs/investment funds**

The SICAV may hold units or shares of UCITS, AIFs or investment funds, up to a limit of 10% of its net assets:

|  |   |
|--|---|
| <b>UCITS under French law*</b>   | X |
| <b>UCITS under European law*</b>   | X |
| <b>AIFs under French law</b> that comply with Article R. 214-13 of the French Monetary and Financial Code              | X |
| <b>European AIFs</b> that comply with Article R. 214-13 of the French Monetary and Financial Code                      |   |
| Investment funds <b>under foreign law</b> that comply with Article R. 214-13 of the French Monetary and Financial Code |   |

*\*These UCITS/AIFs/investment funds may not themselves hold more than 10% of their assets in UCITS, AIFs or investment funds.*

These UCIs may be managed by the management company or an entity of the Natixis Global Asset Management group.

### **2.3.2 Derivatives**

The UCITS may enter into financial contracts (derivatives) traded on regulated, organised, or over-the-counter markets, whether French or foreign, subject to a limit of 100% of the SICAV's net assets, as set out in the table below.

**TABLE OF DERIVATIVE INSTRUMENTS**

| <i>Type of instruments used</i>       | <b>MARKET TYPE</b>                     |                          |                                 | <b>RISK TYPE</b> |                       |                         |               |                      | <b>OPERATION TYPE</b> |                 |                  |                             |
|---------------------------------------|--|--------------------------|---------------------------------|------------------|-----------------------|-------------------------|---------------|----------------------|-----------------------|-----------------|------------------|-----------------------------|
|                                       | <i>Admission to regulated markets*</i> | <i>Organised markets</i> | <i>Over-the-counter markets</i> | <i>equities</i>  | <i>interest rates</i> | <i>foreign exchange</i> | <i>credit</i> | <i>other risk(s)</i> | <i>Hedging</i>        | <i>Exposure</i> | <i>Arbitrage</i> | <i>Other strategy(-ies)</i> |
| <b>Futures on</b>                     |  |                          |                                 |                  |                       |                         |               |                      |                       |                 |                  |                             |
| <i>equities</i>                       |  |                          |                                 |                  |                       |                         |               |                      |                       |                 |                  |                             |
| <i>interest rates</i>                 | X                                      | X                        |                                 |                  | X                     |                         |               |                      | X                     | X               |                  |                             |
| <i>foreign exchange</i>               |  |                          |                                 |                  |                       |                         |               |                      |                       |                 |                  |                             |
| <i>indices</i>                        |  |                          |                                 |                  |                       |                         |               |                      |                       |                 |                  |                             |
| <b>Options on</b>                     |  |                          |                                 |                  |                       |                         |               |                      |                       |                 |                  |                             |
| <i>equities</i>                       |  |                          |                                 |                  |                       |                         |               |                      |                       |                 |                  |                             |
| <i>interest rates</i>                 | X                                      | X                        | X                               |                  |                       |                         |               |                      | X                     | X               |                  |                             |
| <i>foreign exchange</i>               |  |                          |                                 |                  |                       |                         |               |                      |                       |                 |                  |                             |
| <i>indices</i>                        |  |                          |                                 |                  |                       |                         |               |                      |                       |                 |                  |                             |
| <b>Swaps</b>                          |  |                          |                                 |                  |                       |                         |               |                      |                       |                 |                  |                             |
| <i>equities</i>                       |  |                          |                                 |                  |                       |                         |               |                      |                       |                 |                  |                             |
| <i>interest rates</i>                 |  |                          | X                               |                  | X                     |                         |               |                      | X                     | X               |                  |                             |
| <i>foreign exchange</i>               |  |                          |                                 |                  |                       |                         |               |                      |                       |                 |                  |                             |
| <i>indices</i>                        |  |                          |                                 |                  |                       |                         |               |                      |                       |                 |                  |                             |
| <b>Forward exchange</b>               |  |                          |                                 |                  |                       |                         |               |                      |                       |                 |                  |                             |
| <i>currency(-ies)</i>                 |  |                          |                                 |                  |                       |                         |               |                      |                       |                 |                  |                             |
| <b>Credit derivatives</b>             |  |                          |                                 |                  |                       |                         |               |                      |                       |                 |                  |                             |
| <i>Credit default swaps (CDS)</i>     |  |                          |                                 |                  |                       |                         |               |                      |                       |                 |                  |                             |
| <i>First-to-default</i>               |  |                          |                                 |                  |                       |                         |               |                      |                       |                 |                  |                             |
| <i>First-loss credit default swap</i> |  |                          |                                 |                  |                       |                         |               |                      |                       |                 |                  |                             |

\* See the management company's policy on order execution at [www.nam.natixis.com](http://www.nam.natixis.com)

The Fund will not use total return swaps.

### 2.3.2 a Information relating to over-the-counter financial contracts

Counterparties consist of leading credit institutions. They are selected and regularly assessed in accordance with the counterparty selection procedure, which is available on the management company's website: [www.nam.natixis.com](http://www.nam.natixis.com) (see section 'Our commitments', 'Intermediary/counterparty selection policy') or on request from the management company. These transactions are systematically covered by a contract signed between the UCITS and the counterparty that defines the procedures for reducing counterparty risk.



Counterparties do not have any discretionary decision-making powers over the composition or management of the UCITS' investment portfolio or the assets underlying the derivative.

### 2.3.3 Securities with embedded derivatives

The SICAV will not invest its assets in securities with embedded derivatives.

### 2.3.4 Specific securities

None

### 2.4 Deposits

The SICAV may make deposits in compliance with the French Monetary and Financial Code, of a maximum duration of twelve months. In this respect, these deposits, which make it possible to manage all or part of the SICAV's cash, contribute to the achievement of the management objective.

### 2.5 Cash and cash equivalents

On an ancillary basis, the SICAV may hold cash and cash equivalents.

### 2.6 Cash borrowings

The SICAV may borrow cash up to a limit of 10% of its assets and only on a temporary basis.

### 2.7 Temporary purchases and sales of securities

The management company may carry out temporary purchases or sales of securities (also known as securities financing transactions), up to a limit of 100% of the assets. It is expected that 50% of the assets under management will be subject to securities financing transactions.

| <b>Types of transactions used</b>  |          |
|--|----------|
| Repurchase and reverse repurchase agreements in accordance with the French Monetary and Financial Code | <u>X</u> |
| Securities lending and borrowing in accordance with the French Monetary and Financial Code             | <u>X</u> |
| Others   |          |

| <b>Types of operation, all of which must be limited to achieving the management objective</b> |          |
|---|----------|
| Cash management   |          |
| Optimisation of the UCITS' income and performance   | <u>X</u> |
| Others  |          |

#### 2.7 a Information on the use of temporary purchases and sales of securities

The purpose of using temporary sales of securities is to obtain an additional return for the UCITS and therefore to contribute to its performance. Furthermore, the UCITS may enter into repurchase agreements as part of the reinvestment of cash collateral and/or reverse repurchase agreements to meet liquidity needs. Temporary purchases and sales of securities will be guaranteed pursuant to the principles set out under 'Contracts constituting collateral' below.

Details of the fees associated with these transactions are given in the 'Fees and commissions' section.

### 2.8 Information on collateral

In connection with the conclusion of financial contracts and/or securities financing transactions, the Fund may receive/pay collateral in the form of a transfer of the full ownership of securities and/or cash. Securities received as collateral must meet the criteria laid down by the regulations and must be granted by credit institutions or other entities that meet the legal, country and other financial criteria set out in the French Monetary and Financial Code.

The level of collateral and the discount policy are set by the management company's eligibility policy for collateral in accordance with the regulations in force, and include the following categories:

- Cash collateral in various currencies according to a predefined list, such as EUR and USD;
- Collateral as debt or equity securities on the basis of a specific classification.

The eligibility policy for collateral explicitly defines the level of collateral required and the discounts applied to each type of collateral in accordance with rules that depend upon their specific characteristics. In accordance with the regulations in force, it also specifies the rules for the diversification of risks, correlation, appraisal, credit quality and regular stress tests on the collateral's liquidity.

In accordance with the conditions set out in the regulations, in the event that collateral is received in cash, it may only be:

- placed on deposit;
- invested in high-quality government bonds;
- used in reverse repurchase agreements;
- invested in short-term money-market undertakings for collective investment (UCI).

Collateral other than in cash received may not be sold, reinvested or pledged as security.

In accordance with the valuation rules laid down in this prospectus, the management company will conduct a daily valuation of received collateral on a mark-to-market basis. Margin calls will be made on a daily basis.

The collateral received by the Fund will be held by the Fund's depositary or, failing that, by any third-party depositary that is subject to prudential supervision and that has no connection with the provider of the collateral.

The risks associated with securities financing transactions, financial contracts and the management of collateral are described in the risk profile section.

• ***Risk profile:***

*'Your money will be invested in financial instruments selected by the financial, administrative and accounting manager delegated by your SICAV. These instruments will be subject to market trends and risks.'*

The SICAV's risk profile is adapted to an investment horizon of more than three years.

The various potential risks that may arise in connection with the management of the SICAV and that may cause the net asset value of the SICAV to fall are:

**=) Risk of capital loss**

The net asset value may experience high variation due to the financial instruments included in the portfolio. This means that you may not get back all the capital you invested and this applies equally to investments made over the recommended investment period.

**=) Risk associated with temporary purchases and sales of securities and the management of collateral**

Temporary purchases and sales of securities are likely to create risks for the Fund, such as the

counterparty risk defined above. The management of collateral may create risks for the Fund, such as liquidity risk (i.e. the risk that a security received as collateral is not sufficiently liquid and cannot be sold quickly in the event that the counterparty defaults), and, where applicable, risks related to the reuse of cash collateral (i.e. primarily the risk that the Fund is unable to reimburse the counterparty).

**=) Risks associated with classification**

**Interest rate risk:**

The SICAV may carry interest rate risk, as the modified duration of the SICAV's portfolio is between 1 and 12.

Modified duration represents the average movement in the price of fixed-rate securities held in the portfolio when interest rates vary by 1%.

Interest rate risk is the risk of depreciation (loss of value) of interest rate instruments due to fluctuations in interest rates. Therefore, if interest rates rise, the value of products invested in fixed-rate securities will drop, causing the SICAV's net asset value to decrease.

**Credit risk:**

Credit risk is the risk that the economic or financial position of an issuer may deteriorate, potentially leading to a decline in the value of the issuer's security and therefore a fall in the SICAV's net asset value. Investments are made in securities issued and/or guaranteed by member states of the eurozone, and/or in units or shares of UCIs invested in sovereign securities.

**=) Risk associated with inflation**

A portion of the SICAV's portfolio may be invested in inflation-indexed bonds. If anticipated inflation for future years were to fall, the value of inflation-indexed bonds may also fall, which could lead to a decline in the SICAV's net asset value.

**=) Risk associated with exposure**

The use of derivatives and temporary purchases and sales of securities is permitted within the limit of 100% of the net assets.

The SICAV could thus amplify the movements of the market and, as a result, its net asset value could fall to a greater extent than that of the market. However, this maximum exposure will not be used systematically. Any such use will be at the discretion of the manager of the SICAV.

**=) Discretionary management risk**

The SICAV's discretionary management style is based on anticipating changes in the various bond markets. Consequently, there is a risk that the SICAV will not be invested in the best-performing markets at all times.

**=) Counterparty risk**

The SICAV may present a counterparty risk from over-the-counter transactions on derivatives markets and temporary purchases and sales of securities, which could lead to a decline in its net asset value.

The counterparty risk measures losses incurred by an entity as a result of its commitments with a counterparty in the event of the bankruptcy of that party or its inability to fulfil its contractual obligations.

**• Target subscribers and typical investor profile:**

The SICAV is intended for all subscribers.

Nevertheless, it is specifically intended for institutional investors and/or legal entities:

- seeking medium-term appreciation of all or part of their portfolio with a regular increase in the net asset value and who accept compensation close to the money market, and/or;
- obliged to invest in stocks issued or guaranteed by European Union member states or states party to the agreement on the European Economic Area.

The minimum recommended investment period is more than 3 years.

The Fund's units may not be offered or sold in the United States of America to or on behalf of a "US Person" as defined by Regulation 902 of Regulation S under the United States Securities Act of 1933. Prospective unitholders must confirm that they are not a US Person and that they are not subscribing on behalf of a US Person or with the intention of reselling the units to a US Person.

The SICAV has five share classes.

'R' shares are open to all subscribers.

'I(C)' shares are open to all subscribers, but are specifically intended for institutional investors and legal entities, subscribing for an initial amount of EUR 100,000.

'N(C)' shares are open to all subscribers, but are specifically intended for private individuals who invest through distributors, financial advisers, platforms or other intermediaries (collectively, 'Intermediaries') in connection with a separate contract or a fee-based contract between the investor and an intermediary.

'UNICREDIT' shares are open to all subscribers, but are specifically intended for Unicredit.

'SN(C)' shares are open to all subscribers, but are specifically intended for shareholders investing through an NGAM distributor.

The amount that it is appropriate to invest in this SICAV depends on the personal, regulated and fiscal circumstances of each investor. To determine this amount, investors should consider their personal assets, the applicable regulations, their current and future financial needs over the recommended investment horizon, and the extent to which they are prepared to take risks or whether they would prefer to opt for a more cautious investment.

Investors/shareholders are strongly advised to diversify their investments sufficiently so that they are not exposed solely to the risks of this SICAV.

**• Procedures for determining and allocating distributable income and distribution frequency:**

➤ **R shares:**

This share class may involve either accumulation or distribution.

Switching from one share class to another is treated as a sale followed by a subscription and is subject to the tax regime for capital gains related to the disposal of securities.

The distributable income is divided between the two share classes.

The share attributable to R(C) shares is transferred to the capital of this share class and that attributable to R(D) shares is distributed by way of an annual dividend.

➤ **I(C), N(C), UNICREDIT and SN(C) shares:**

I(C), N(C), UNICREDIT and SN(C) shares are accumulation shares. The sums available for distribution are reinvested in full, with the exception of amounts subject to mandatory distribution as required under French law.

➤ **SN(D) shares:**

SN(D) shares are distribution shares. The distributable income is distributed on a quarterly basis (May, August, November, February).

Revenue is recognised using the accrued coupon method.

**• Features of the shares:**

| Shares           | ISIN code  | Base currency | Fractional shares             | Initial net asset value | Tax provisions |
|------------------|--|---------------|-------------------------------|-------------------------|----------------|
| R shares         | R(C) shares:<br>FR0000003196<br><br>R(D) shares:<br>FR0000171233 | Euro          | One ten-thousandth of a share | EUR 152.45              | None           |
| I(C) shares      | FR0010655456   | Euro          | One ten-thousandth of a share | EUR 100,000             | None           |
| N(C) shares      | FR0011505098   | Euro          | One ten-thousandth of a share | EUR 1,000               | None           |
| UNICREDIT shares | FR0012872083   | Euro          | One ten-thousandth of a share | EUR 1,000               | None           |
| SN(C) shares     | FR0013029113   | Euro          | One ten-thousandth of a share | EUR 1,000               | None           |
| SN(D) shares     | FR0013292273   | Euro          | One ten-thousandth of a share | EUR 1,000               | None           |

**• Subscription and redemption procedures:**

The net asset value is calculated and published on each Paris stock exchange trading day, with the exception of public holidays as defined by French Labour Code and days on which the Paris stock exchange is closed.

The calculation of the net asset value prior to a weekend and/or a French public holiday as defined by the French Labour Code and a day on which the Paris stock exchange is closed will not include coupons accrued over this period. It will be dated on the day before this period of closure.

Subscription and redemption orders can be submitted at any time and are centralised on each net asset value calculation day (D) at 12:30 p.m. at the latest. They are executed on the basis of this net asset value (D).

Subscriptions and redemptions may be made in ten-thousandths of a share.

Subscription and redemption orders for R, I(C), N(C), UNICREDIT and SN(C) shares are received by CACEIS Bank, whose registered office is located at 1-3, place Valhubert, 75013 Paris, France and for which the postal address is: 1-3, place Valhubert, 75206 Paris Cedex 13, France.

The net asset value is published at the registered office of the management company: Natixis Asset Management, 21 quai d'Austerlitz, 75013 Paris, France.

**• Fees and commissions:**

**Subscription and redemption fees:**

Subscription and redemption fees increase the subscription price paid by the investor or reduce the redemption price. The fees payable to the SICAV serve to offset the charges it incurs when investing and

divesting investors' assets. Remaining fees are paid back to the management company, marketing agent, etc.

| <b>Fees charged to the investor, payable at the time of subscription or redemption</b> | <b>Base</b>                        | <b>Rate scale</b>  |
|--|------------------------------------|--|
| Maximum subscription fee not retained by the SICAV                                     | net asset value × number of shares | R shares: 3%*<br>I(C), N(C), SN(C) and SN(D) shares: None<br>UNICREDIT shares: 5%* |
| Subscription fee retained by the SICAV   | net asset value × number of shares | None   |
| Maximum redemption fee not retained by the SICAV                                       | net asset value × number of shares | None   |
| Redemption fee retained by the SICAV   | net asset value × number of shares | None   |

\* Exception: Redemption orders followed by subscriptions made on the same day, at the same net asset value and for the same number of shares.

#### Fees charged to the UCITS:

These charges cover:

- Financial management fees;
- Administrative fees not related to the management company (statutory auditor, depositary, distribution, lawyers);
- Maximum indirect costs (management fees and expenses) if the UCITS has an investment of more than 20% in other UCITS, AIFs or investment funds;
- Transfer fees;
- Performance fees.

| <b>Fees charged to the UCITS</b>                          | <b>Base</b>                     | <b>Rate scale</b>   |
|---|---------------------------------|---|
| Financial management fees                                 | Net assets                      | R shares: 0.70% incl. tax, maximum rate<br><br>I(C) and UNICREDIT shares: 0.45% incl. tax, maximum rate<br><br>N(C) shares: 0.50% incl. tax, maximum rate<br><br>SN(C) shares: 0.36% incl. tax, maximum rate<br><br>SN(D) shares: 0.36% incl. tax, maximum rate |
| Administrative fees not related to the management company |                                 |   |
| Transfer fees   | Deduction from each transaction | See rate scale, below   |
| Performance fee   | Net assets                      | None  |

*Rates and fixed amounts of the shared transfer fee by financial instrument and transaction*

| <b>Product</b>  | <b>Fee scale, incl. tax charged</b>           | <b>Fee ceiling incl. tax (in EUR)</b> |
|---|---|---------------------------------------|
| Shares  | 1‰ gross amount                               | 3,000                                 |
| Convertible bonds   | 1‰ gross amount                               | 3,000                                 |
| Euro government bonds                                       | 0.05‰ gross amount (excluding accrued coupon) | 2,500                                 |
| Other bonds, bond warrants and special purpose vehicles     | 0.1‰ gross amount (excluding accrued coupon)  | 2,500                                 |
| BTAN (fixed-rate annual interest treasury bills)            | 0.025‰ weighted traded nominal (*)            | 2,500                                 |
| BTF (fixed-rate treasury bills), negotiable debt securities | 0.1‰ weighted traded nominal (*)              | 2,500                                 |
| Interest rate swaps, foreign interest rate swaps            | 1 centime rate                                | None                                  |
| Asset swap < 3 years  | 1 centime rate                                | None                                  |
| Asset swap > 3 years  | 2 centimes rate                               | None                                  |
| Forex spot  | None  | None                                  |
| Forward exchange  | 1 centime rate                                | None                                  |
| Currency swap   | 1 centime rate                                | None                                  |
| Repurchase and reverse repurchase agreements                | 1 centime rate                                | None                                  |
| Securities lending and borrowing                            | None  | None                                  |
| Rate or share   |   |                                       |
| Organised derivatives                                       |   |                                       |
| -Futures  | EUR 1 per lot (**)                            | None                                  |
| - Rates, futures options                                    | EUR 0.3 per lot (**)                          | None                                  |
| - Equity and index options                                  | 0.1% of the premium.                          | None                                  |

(\*): More precisely, the transfer fee equals: nominal traded amount × coefficient × (maturity date – value date) / 365.

(\*\*): For non-EUR currencies, the transfer fee is calculated by applying the EUR exchange value at the final conversion rate for the previous year. This rate is revised at the start of each year.

### **Information on remuneration generated by temporary purchases and sales of securities:**

Any proceeds resulting from temporary purchases and sales of securities are paid to the UCITS, net of operating costs.

Temporary sales of securities may be transacted with Natixis Asset Management Finance, a company belonging to the management company's group. In certain cases, such transactions may be made with market counterparties through the intermediary of Natixis Asset Management Finance. By way of these activities, Natixis Asset Management Finance receives remuneration equal to 40% incl. tax of the income generated by temporary purchases and sales of securities, the amount of which appears in the UCITS' annual report.

For further information, unitholders should refer to the Fund's annual report.

### **Procedure for selecting intermediaries:**

The management company has implemented a selection and assessment procedure for intermediaries, which takes into account such objective criteria as quality of research, commercial monitoring and execution. This procedure is available on the Natixis Asset Management website, at [www.nam.natixis.com](http://www.nam.natixis.com).

### **Information on the risks of potential conflicts of interest associated with the use of temporary purchases and sales of securities:**

Since 1 October 2009, Natixis Asset Management (NAM) has transferred its intermediation activity to its subsidiary Natixis Asset Management Finance (NAMFI).

A French limited company (*société anonyme*) with share capital of EUR 15 million, Natixis Asset Management Finance obtained a banking licence for investment services from the CECEI on 23 July 2009.

One of the objectives of this structure was to provide intermediation services (i.e. receipt-transmission and execution of orders on behalf of third parties) for NAM.

As part of its activities, NAM is required to place orders for the portfolios it manages. NAM transmits almost all of its orders for financial instruments resulting from management decisions made by NAMFI.

In order to improve the portfolios' yields and financial income, NAM may use securities borrowing/lending transactions and repurchase/reverse repurchase agreements. Almost all temporary purchases/sales of securities are also carried out by NAMFI. Furthermore, the portfolios may enter into repurchase arrangements to replace collateral received in cash.

NAMFI may act as 'principal' or 'agent'. Acting as principal corresponds to acting as a counterparty to the NAM portfolios. Acting as agent corresponds to NAMFI working as an intermediary between the portfolios and market counterparties. These may be entities belonging to the management company's group or to the depositary.

The volume of temporary sales transactions handled by NAMFI means that it has sound knowledge of this market and the NAM portfolios are thus able to benefit from it.



NAMFI's banking licence for investment services also authorises it to carry out processing operations. Should the results of this processing activity prove positive, NAM, including NAMFI, is the subsidiary that would benefit.

For more information on risks, please consult the 'Risk profile' and 'Information on collateral' sections.

For further information, shareholders should refer to the SICAV's annual report.

### III – COMMERCIAL INFORMATION

- Natixis Asset Management reserves the right to delegate all or part of the investment activity relating to the SICAV's shares to distributor networks with which it has entered into an investment agreement.
- Information relating to the SICAV (including the prospectus and the latest annual and interim reports) can be obtained directly from the management company:  
Natixis Asset Management  
Direction 'Service Clients' [Customer Service Department]  
21 quai d'Austerlitz  
75634 PARIS Cedex 13, France  
nam-service-clients@am.natixis.com  
These documents will be sent within eight business days.

These documents are also available at [www.nam.natixis.com](http://www.nam.natixis.com)

Further information can be obtained from branches of the marketing agents.

- **Information on the net asset value**

The net asset value can be obtained from Natixis Asset Management, from the branches of the marketing agents and online at [www.nam.natixis.com](http://www.nam.natixis.com).

- **Information in the event of a change in the UCITS' operating procedures**

Shareholders will be informed of any changes concerning the Fund in accordance with the procedures drawn up by the Autorité des marchés financiers.

If applicable, this information may be provided via Euroclear France and its associated financial intermediaries.

- **Environmental, Social and Governance (ESG) criteria**

Information on the procedures for taking account of criteria relating to compliance with environmental, social and governance (ESG) quality objectives can be found in the annual reports of the relevant UCITS and on the management company's website.

### IV – INVESTMENT RULES

The UCITS complies with the investment rules for UCITS as stipulated by the French Monetary and Financial Code.

### V – OVERALL RISK

The method of calculation used by the SICAV is the commitment method.

## VI – ASSET VALUATION AND ACCOUNTING RULES

### **A) Asset valuation rules**

#### **I Securities portfolio**

The SICAV's portfolio is valued each time the net asset value is calculated and when the accounts are closed, as follows: the management company has entrusted valuation and accounting reporting pertaining to the SICAV to CACEIS FUND ADMINISTRATION.

The SICAV is valued at the closing price.

The SICAV's annual financial statements and risk exposure tables are drawn up on the basis of the final net asset value for the financial year.

The SICAV complies with the accounting rules and methods prescribed by current regulations and with the UCIs chart of accounts which, at the time of publishing this prospectus, are as follows:

The UCITS' annual financial statements are prepared on the basis of the final net asset value for the financial year.

#### **⇒ Financial instruments**

- **Equities**

French equities are valued on the basis of the latest quoted price in the case of securities admitted to a deferred settlement system or a spot market.

Foreign equities are valued on the basis of the latest price on the Paris stock exchange if the securities are listed in Paris, or on the last trading day of their main market, converted into EUR in accordance with the WMR rate for the currency on the valuation date.

- **Bonds**

Bonds are valued on the basis of an average of voluntarily reported prices obtained daily from market makers and converted into EUR, if necessary, at the WMR rate for the currency on the valuation date.

- **UCITS/AIFs or investment funds**

UCITS/AIFs or investment fund units or shares are valued at the last known net asset value. Foreign undertakings for collective investment, which carry out valuations at times incompatible with the calculation of the net asset value of the UCITS, the AIF or the investment fund are valued on the basis of estimates supplied by the administrators of such undertakings, under the supervision and responsibility of the management company.

- **Negotiable debt securities**

Negotiable debt securities are valued in accordance with the following rules:

- BTANs (fixed-rate treasury bills with annual interest) and BTFs (fixed-rate treasury bills) are valued on the basis of an average of contributed prices obtained from market makers.
- Other fixed-rate negotiable debt securities (certificates of deposit, commercial paper, warrants issued by financial institutions, etc.) are valued on the basis of their market price. In the absence of an indisputable market price, these are valued by applying a yield curve that may be adjusted with a margin calculated on the basis of the features of the security.

- Unlisted variable-rate debt securities are valued at cost price, adjusted for any variations in the credit spread.

However, negotiable debt securities with a residual maturity of three months or less are valued using the straight-line method.

## **II Futures and options transactions**

### **⇒ Regulated and over-the-counter forward financial instruments**

- **Organised futures and options markets**

Commitments on organised futures and options markets are valued on the basis of the closing price.

- **Asset swaps**

Asset swaps are valued at the market price based on the residual maturity of the asset and the valuation of the issuer's credit spread (or the trend in its rating).

Asset swaps with a maturity of 3 months or less are valued using the straight-line method, except in the case of an exceptional market event.

Asset swaps with a residual maturity exceeding 3 months are valued at the market price, based on the spreads indicated by the market makers. In the absence of a market maker, the spreads will be obtained by any means from the available contributors.

- **Other types of swaps**

Other swaps are valued in accordance with the following rules:

Swaps with a maturity of three months or less are valued using the straight-line method.

Swaps with more than 3 months remaining are valued using the turnover rate method using a zero coupon yield curve.

Complex instruments such as CDS, SES and complex options are valued on the basis of their specific features, applying an appropriate method.

### **⇒ Temporary purchases and sales of securities**

Contracts for temporary sales or purchases of transferable securities and similar transactions are valued at the contract rate, adjusted for any margin calls.

For unlisted securities or those for which the price is not reported on the valuation date, as well as other balance sheet items, the Board of the management company adjusts the valuation on the basis of variations that are likely in view of current events.

## **III Off-balance sheet commitments**

Off-balance sheet commitments are valued as follows:

### **A) Commitments on futures markets:**

#### **1) Futures:**

commitment = settlement price x nominal contract value x quantity

With the exception of commitments under Euribor contracts traded on the MATIF, which are recorded at their nominal value.

## **2) Swap commitments:**

### **a) Interest rate swaps**

☐ Interest rate swaps with a maturity of three months or less

Backed: nominal value + accrued interest (interest differential)

Non-backed: nominal value + accrued interest (interest differential)

☐ Interest rate swaps with a maturity exceeding three months

.Backed:

° Fixed rate/Variable rate

- appraisal of the fixed-rate portion at the market price

° Variable rate/Fixed rate

- appraisal of the variable-rate portion at the market price

.Non-backed:

° Fixed rate/Variable rate

- appraisal of the fixed-rate portion at the market price

° Variable rate/Fixed rate

- appraisal of the variable-rate portion at the market price

### **b) Other swaps**

These will be valued at the market value.

## **B) Commitments on options markets:**

Commitment = quantity x nominal contract value (portion) x price of underlying x delta.

## **IV Currencies**

Foreign currency prices are converted into EUR at the WMR rate for the currency on the valuation date.

## **V Unlisted financial instruments and other securities**

- Financial instruments whose price has not been recorded on the valuation date are valued at the most recent officially published price or at their likely trading value, under the responsibility of the management company.

- Foreign securities are converted into the equivalent value in EUR in accordance with the WMR rate on the valuation date.

- Financial instruments not traded on a regulated market are valued under the responsibility of the management company at their likely trading value.

- Other financial instruments are valued at their market value as calculated by the counterparties, under the supervision and responsibility of the management company.

### **⇒ Swing pricing mechanism of the net asset value with trigger threshold (from 10 October 2016)**

On 10 October 2016, the management company implemented a method of adjusting the net asset value (NAV) with a trigger threshold.

This mechanism means that investors subscribing or redeeming shares must bear the costs relating to transactions made using the SICAV's assets as a result of the movement (subscription/redemption) of the SICAV's liabilities. The purpose of this mechanism, which is governed by a policy, is to protect the shareholders who remain in the SICAV by making them bear the lowest possible cost. This results in an adjusted 'swing' NAV.

If, on a NAV calculation date, the total of investors' net subscription/redemption orders over all the

SICAV's share classes exceeds a predetermined threshold, set by the management company on the basis of objective criteria as a percentage of net assets, the NAV may be adjusted upwards or downwards, to take account of readjustment costs attributable to net subscription/redemption orders, respectively. If the SICAV issues several share classes, the NAV of each share class is calculated separately, but any adjustment has, as a percentage, the same impact on the total NAV of the SICAV's share classes.

The readjustment and triggering cost parameters are determined by the management company and reviewed periodically. These costs are estimated by the management company on the basis of transaction costs, purchase and sale price ranges, and any taxes applicable to the SICAV.

The adjustment mechanism will be applied at some point in the future, however, it is not possible to predict accurately when or how often the management company will make such adjustments.

Investors are advised that the volatility of the SICAV's NAV may not reflect only the volatility of the securities held in the portfolio owing to the application of the adjustment mechanism.

The swing-out NAV is the SICAV's only net asset value and the only one communicated to the SICAV's shareholders. However, in the event of a performance fee, this is calculated on the NAV before the adjustment mechanism is applied.

## **B Accounting methods**

Income is recognised using the accrued interest method.

Trading fees are stated in the specific accounts of the UCITS and are not added to the price.

The Weighted Average Cost Price method is used for the settlement of securities. However, for derivative products, the FIFO ('First In, First Out') method is used.

The calculation of the net asset value prior to a weekend and/or a French public holiday as defined by the French Labour Code and a day on which the Paris stock exchange is closed will not include coupons accrued over this period. It will be dated on the day before this period of closure.

## **VII – REMUNERATION**

Details of the remuneration policy are available at [www.nam.natixis.com](http://www.nam.natixis.com)