

Sustainability-related Product Disclosure

Information
Product Name: Fructi Flexible 100 Legal Entity Identifier: 969500L5EJYSZM0SYK47 SFDR Classification: Article 8

(a) Summary

See fund's documentation.

(b) No sustainable investment objective

Does this financial product have a sustainable investment objective?

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

Not applicable

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

Not applicable

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

Not applicable

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Not applicable

(c) Environmental or social characteristics of the financial product
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The Fund seeks to promote the environmental and social characteristics of maintaining a value weighted ESG score better than its "investment universe" (as defined below), maintaining a carbon footprint lower than that of its "investment universe", and excluding companies that are considered as controversial and actively engaging with portfolio companies on ESG issues. No reference benchmark has been designated for the purpose of attaining the E/S characteristics promoted by the Fund.

What investment strategy does this financial product follow?

The Portfolio construction combines non-financial criteria through investment choices that are primarily guided by the application of ESG criteria and financial considerations – performance and volatility targets – through dynamic exposure management.

The purpose of the non-financial approach applied in the Sub-Fund is to prioritize financing of the most virtuous operators (corporate, sovereigns) in terms of global ESG issues, with a specific focus on climate impact.

The ESG investment strategy prioritizes investments that meet ESG criteria taken as a whole. However, special attention is paid to climate issues. Indeed, the adoption of proactive climate policies led by governments and supranational regulators, as well as the companies' consideration of their impact and their ecosystem, are major factors whose analysis should permeate and drive decisions about financing and investing in economic activity. Lastly, inclusion of Governance-related criteria is a means of bolstering the portfolios ESG strategy, since companies and governments that enjoy quality governance are more inclined to prioritize climate issues in their strategies.

At least 90% of the portfolio's net assets (equities and debt securities issued by private and public issuers) undergo ESG analysis. For our methodology we use data provided by ESG rating agencies.

Shares in the portfolio are selected with the aim of gaining market exposure while meeting ESG criteria. For each asset class, the portfolio's construction is based on an exclusion policy and a so-called-"relative" approach.

The purpose of the exclusion policy is to limit the portfolio's exposure to risks that are deemed to be material.

It consists of reducing the investment universe based on ESG criteria. This step is based on compliance with fundamental non-financial principles and specifically on Seeyond's "Exclusion Policy".

For this product, "investment universe" is defined by the MSCI World Index for equity investments and by the combination of a strategic universe (ICE Bank of America Global Sovereign Index) and a tactical diversification universe (ICE Bank of America EM Sovereign and EM External Debt Sovereign Indexes) for sovereign bond investments.

The purpose of the so-called "relative" approach is to prioritize top-rated securities and limit lower-rated securities by including predefined ESG criteria in their weighting.

The target investment allocation is as follows:

- Global Equities: 80% of net assets in the portfolio
- Global Government Bonds 20% of net assets in the portfolio

Relative approach applied to Global Equities.

The ESG issues considered and their impact on stock ratings may depend on the company's sector, geographic location and capitalisation size.

- Environmental (E) issues include, in particular, carbon emissions, waste treatment and water stress.
- Social (S) issues include, in particular, employee safety, human capital management, and compliance with international labour standards.

- Corporate governance (G) issues include, in particular, the composition of supervisory and governance bodies, and accounting practices.

The first non-financial objective of the so-called "score-improving" global equity investment strategy is to improve the overall ESG rating (by relying on an ESG risk indicator supplied by a non-financial rating agency) of the securities held as compared to the investment universe from which the lowest-rated 20% of companies are excluded.

The purpose of the second "non-financial-indicator-improving" objective is to improve:

- A climate-related indicator:

This consists in improving the overall carbon intensity level (total carbon emissions of a company compared to its revenue) of the securities held, in comparison With the investment universe. Aggregated to the portfolio, the objective is to achieve an average carbon intensity level below that of its investment universe

- A good governance-related indicator:

This consists in improving the overall independence level of the bodies governing the securities held, as compared to the investment universe. In other words, aggregated to the portfolio, having a higher average percentage of directors meeting independence criteria than the investment universe.

Relative approach applied to global sovereign bonds

The ESG issues considered, and their impact on how securities are rated, are related to the nature of their issuers (sovereign states).

- Environmental (E) factors include the analysis of energy and natural resource issues.
- Social responsibility (S) factors include criteria related to meeting basic needs, health, and fairness,
- Governance (G) factors include analysis of institutions, compliance with laws and civil rights, and political stability.

The number-one objective of the "non-financial-indicator-improving" sovereign bond investment strategy is to improve the overall ESG score of the securities held, compared to the investment universe filtered by our exclusion policy. This overall ESG rating is based on evaluations by an external service provider.

The second "non-financial-indicator-improving" objective is to improve climate risk measurement using a proprietary method. This measurement is based primarily on a carbon intensity analysis as well as the Governance quality of the sovereign issuers. The aim of the strategy is to improve this rating compared to the investment universe filtered by our exclusion policy.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

1. The Fund excludes issuers that violate the UN Global Compact principles on human rights, labour standards, environmental protection and anti-corruption.

2. The Fund excludes issuers that generate more than 25% revenue from thermal coal, 10 % revenue from non-conventional fossil fuels or 25% revenue from palm oil and more than 0% revenue from tobacco or controversial weapons.
3. The Fund maintains an ESG score that is higher than the one of its investment universe.
4. The Fund maintains a carbon footprint, both in total greenhouse gas emissions (GHG scope 1,2, 3) and average carbon intensity, lower than that of its investment universe.
5. The Fund keeps an average percentage of board members of issuers of securities held who meet independence criteria higher than that of its investment universe.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

Not applicable

What is the policy to assess good governance practices of the investee companies?

The governance quality is assessed in particular by measuring the board independence.

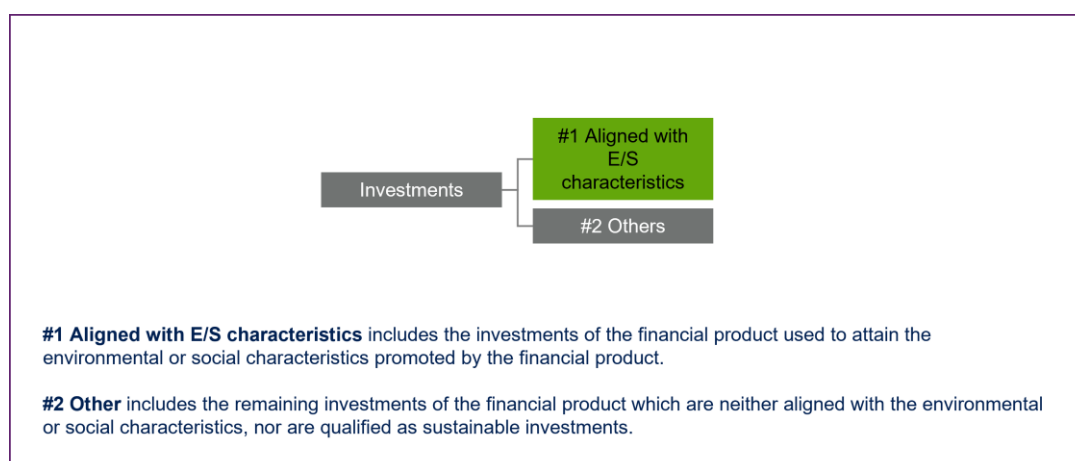
Governance quality is also followed through the Investment Manager active ownership policy notably the proxy voting implementation that deals with these topics such as voting principles for : shareholders right, governance structure (director Nominees, gender diversity, independence, accountability, climate responsibility), executives remuneration.

(e) Proportion of investments

What is the asset allocation planned for this financial product?

The Fund is expected to invest at least 80% of its NAV in companies that qualify as aligned with E/S characteristics (Aligned with E/S characteristics).

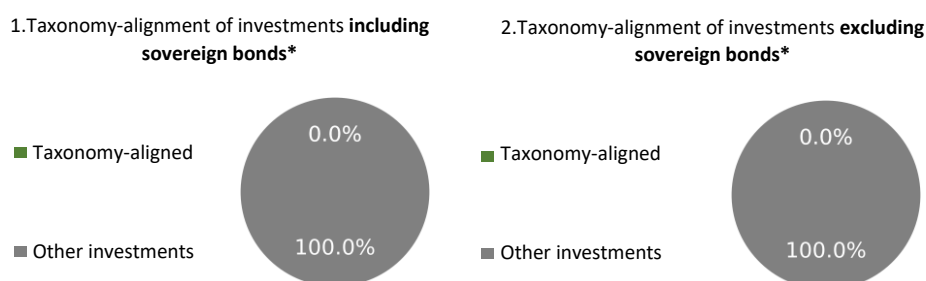
The Fund is allowed to invest up to 20% of its NAV in cash, cash equivalents and/or hedging instruments (#2 Other). The Fund may include securities of issuers that are neither aligned with the fund's E/S characteristics (but do meet the E/S safeguards defined in the UN Guiding Principles on Business and Human Rights).



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

The ESG characteristics promoted by the fund are implemented within the stock and government bond selection. Listed derivatives on Equity markets are mainly used in order to hedge the market risk embedded in stock picking. It means that it does not alter but strengthen the ESG characteristics of the product. On Fixed Income markets, the use of listed derivatives will be restricted to the ESG universe (out of balcklisted, "severe" or "high" ESG risk countries) in order to reach the risk/return objectives of the product. By the end, currency swaps will be used in order to hedge the currency risk generated by stock and bond picking.

The two graphs below show in green the minimum percentage of investments that are 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.*



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

What is the minimum share of investments in transitional and enabling activities?

The Fund does not currently commit to invest in any "sustainable investment" within the meaning of the EU Taxonomy. However, the position will be kept under review as the underlying rules are finalised and the availability of reliable data increases over time.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

As the Fund does not commit to invest in any "sustainable investment" within the meaning of the Taxonomy Regulation, the minimum share of investments in transitional and enabling activities within the meaning of the Taxonomy Regulation is therefore also set at 0%.

What investments are included under "#2 others"/"#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

The Fund promotes environmental and social characteristics but does not commit to making any sustainable investments. As a consequence, the Fund does not commit to a minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

(f) Monitoring of environmental or social characteristic

- 1) Percentage of issuers that violate the UN Global Compact principles on human rights, labour standards, environmental protection and anti-corruption.
- 2) Percentage of issuers that generate more than 25% revenue from thermal coal.
- 3) Percentage of issuers that generate more than 10 % revenue from non-conventional fossil fuels.
- 4) Percentage of issuers that generate more than 25% revenue from palm oil.
- 5) Percentage of issuers that generate more than 0% revenue from tobacco or controversial weapons.
- 6) Portfolio ESG Score on value-weighted average basis versus the ESG score of the investment universe.
- 7) Total greenhouse gas emissions (GHG scope 1,2 3)
- 8) GHG score of the investment universe
- 9) Average carbon intensity of the fund
- 10) Average carbon intensity score of the investment universe
- 11) Average percentage of board members of the issuers of securities held who meet independence criteria ESG SCORE
- 12) Percentage of issuers of securities held which are located in countries that are "blacklisted", i.e. under US or European embargo mentioned on the EU list of non-cooperative jurisdictions for tax purposes, or identified by the Financial Action Task Force (FATF) as having strategic deficiencies in terms of anti-money laundering or counter-terrorist financing
- 13) Percentage of governments issuing securities held in the portfolio having a high ESG risk per the standard developed by external rating agencies

The environmental or social characteristics and the sustainability indicators are monitored by the portfolio managers through their Portfolio Management Systems and by the Risk department through their dedicated tools. The indicators are then reported in different forms such as monthly factsheets and dedicated SRI label reports

(g) Methodologies

Ostrum applies an exclusion policy of controversial issuers thanks to sectorial and exclusion policies and controversies management. This exclusion policy represents a major pillar in the global ESG Ostrum policy and specifically for the methodology which aims at attaining environmental and social characteristics.

The second pillar is around the ESG integration applied by Ostrum by leveraging different ESG data providers which reinforces this methodology through different controls of E/S characteristics for the different regulations or contractual agreements (SFDR article 8; SRI accreditation, ...).

For the article 8 products which are SRI accredited, the control undertaken by Ostrum for the SRI accreditation allows to:

- for the funds with an average score methodology, make sure that the average ESG score of the portfolio is above to the investment universe filtered of the worst 20% issuers in terms of ESG (including the most controversial issuers defined by Ostrum in its sectorial and exclusion policies and the bottom issuers);
- for the funds with an exclusion methodology, make sure that the investments are done on an universe reduced of the 20% bottom issuers (this 20% includes the most controversial issuers defined by Ostrum in its sectorial and exclusion policies and the bottom issuers)
- make sure that the portfolio overperforms its filtered investment universe defined by the SRI accreditation framework on the E/S indicators if these indicators are

the ones to overperform (for instance: carbon intensity, government spending on health and education)

For the article 8 products which are not SRI accredited, Ostrum defined an approach allowing that the average ESG score of the portfolio is better than the investment universe one while ensuring a minimal threshold of the ESG portfolio coverage

Beyond these two processes, there is a control of ESG contractual constraints which allows to ensure the attainment of E/S characteristics (for instance, decrease of intensity carbon, ESG overperformance of the portfolio vs. its investment universe).

(h) Data sources and processing

The data are sourced from different data providers such as Trucost, MSCI, Vigeo, Sustainalytics and SDG Index and are integrated in the Ostrum IT Systems. The data are mainly estimated, and a few are directly sourced from issuers.

- <https://www.spglobal.com/esg/trucost>
 - <https://www.msci.com/>
 - <https://www.moody's.com/>
 - <https://www.sustainalytics.com/>
 - <https://www.sdgindex.org/>
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(i) Limitations to methodologies and data

The methodology could lead to an under-representation of certain sectors due to a poor ESG score or else through the sectorial and exclusion policies.

For the data, the limitation is around the periodical updates done by the providers which could not reflect events that took place after the updates (and such events could lead to a change of data).

(j) Due diligence

The process is based on a review and a systematic validation of ESG criteria described in the documentation.

For the SRI accredited funds, the validation carries on an internal document (SRI clause) and on the legal documentation of the fund. An external certifier officially validates the consideration of the SRI specifications of the accreditation and the legal documentation after having performed an audit when the accreditation is requested.

For the non-accredited article 8 funds, it is carried on precontractual documents based on the information in the prospectus document.

The Risk department is in charge of the right application of the ESG strategy and ensures a continuous control of the ESG constraints for the article 8 funds, accredited or not. They participate in SRI accreditation and annual audits to make sure the accreditation criteria are well considered.

(k) Engagement policies

Is engagement part of the environmental or social investment strategy?

☒ Yes

☐ No

If so, what are the engagement policies? (Including any management procedures applicable to sustainability-related controversies in investee companies)

Ostrum AM's engagement policies: <https://www.ostrum.com/en/our-engagement-policies>

(l) Designated reference benchmark (if applicable)

Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

Not applicable

How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?

Not applicable

How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

Not applicable

How does the designated index differ from a relevant broad market index?

Not applicable

Where can the methodology used for the calculation of the designated index be found?

Not applicable

(m) Additional Information

Fund's documentation:

<https://www.seeyond-am.fr/fr/nonpro/produits/2849?isin=FR0011005461>

Ostrum AM CSR and ESG publications:

<https://www.ostrum.com/en/our-csr-and-esg-publications>

Natixis IM International SFDR documentation:

<https://www.im.natixis.com/intl/intl-fund-documents>

This document is issued to disclose sustainability-related information on this product, in relation to the Article 10 of the EU Sustainable Finance Disclosure Regulation (SFDR). Please refer to the prospectus of the fund and to the KIID before making any final investment decisions.