

# DNCA INVEST EUROSE

FLEXIBLE ASSET



## Investment objective

The Sub-Fund seeks to outperform the 20% Eurostoxx 50 + 80% FTSE MTS Global composite index calculated with dividends reinvested, over the recommended investment period. Investors' attention is drawn to the fact that the management style is discretionary and integrates environmental, social / societal and governance (ESG) criteria.

To achieve its investment objective, the investment strategy is based on active discretionary management.

## Financial characteristics

NAV (CHF)	106.25
Net assets (€M)	2,529
Number of equities holdings	28
Gross equity exposure	24.9%
Net equity exposure	19.4%
Price to Earning Ratio 2024 <sup>e</sup>	10.3x
Price to Book 2023	1.0x
EV/EBITDA 2024 <sup>e</sup>	5.7x
ND/EBITDA 2023	1.1x
Free Cash Flow yield 2024 <sup>e</sup>	6.45%
Dividend yield 2023 <sup>e</sup>	4.32%
Number of issuers	186
Average modified duration	2.36
Net modified duration	2.36
Average maturity (years)	2.78
Average yield	3.94%
Average rating	BBB-

## Performance (from 31/07/2014 to 31/07/2024)

Past performance is not a guarantee of future performance

DNCA INVEST EUROSE (B - CHF Share) Cumulative performance <sup>▲</sup> Reference Index<sup>(1)</sup>



<sup>(1)</sup>80% FTSE Eurozone Government Bond Index + 20% EURO STOXX 50 NR

The performances are calculated net of any fees by DNCA FINANCE.

## Annualised performances and volatilities (%)

	1 year	2 years	5 years	10 years	Since inception
B - CHF Share	+4.87	+4.33	-0.53	-0.49	+0.53
Reference Index	+6.44	+1.77	+0.13	+2.14	+3.02
B - CHF Share - volatility	5.78	6.87	8.83	9.36	9.05
Reference Index - volatility	5.61	7.13	6.68	5.78	5.63

## Cumulative performances (%)

	1 month	YTD	1 year	2 years	5 years	10 years
B - CHF Share	+0.54	+5.03	+4.87	+8.89	-2.63	-4.83
Reference Index	+1.76	+2.25	+6.44	+3.58	+0.68	+23.57

## Calendar year performances (%)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
B - CHF Share	+1.88	-8.06	+2.45	-4.74	+3.80	-10.19	+14.13	+0.84	-7.16	+2.10
Reference Index	+10.25	-16.32	+1.57	+4.15	+10.77	-1.76	+2.22	+3.64	+3.06	+11.66

## Risk indicator



Lower risk

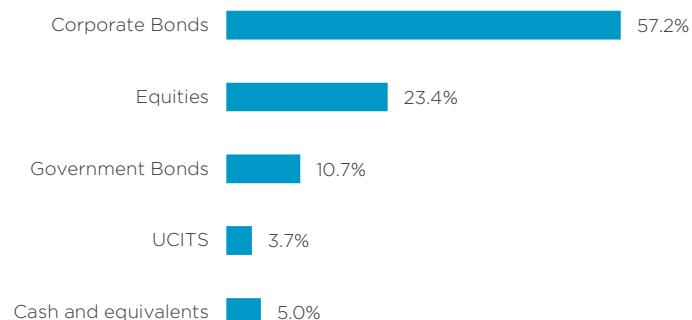
Higher risk

Synthetic risk indicator according to PRIIPS. 1 corresponds to the lowest level and 7 to the highest level.

	1 year	3 years	5 years	10 years
Sharpe Ratio	0.78	-0.13	-0.06	-0.05
Tracking error	7.16%	9.43%	8.60%	8.97%
Correlation coefficient	0.21	0.23	0.41	0.37
Information Ratio	-0.37	0.12	-0.08	-0.29
Beta	0.22	0.27	0.55	0.61

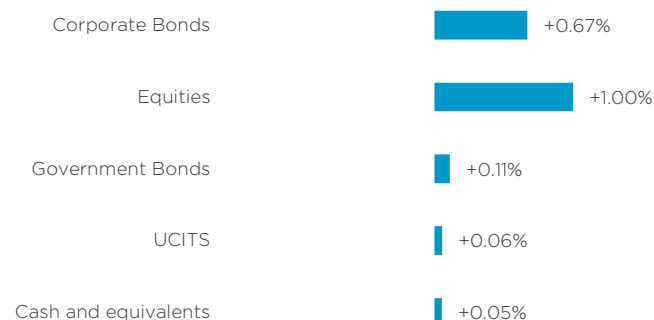
**Main risks:** interest-rate risk, credit risk, equity risk, risk of capital loss, risk of investing in derivative instruments as well as instruments embedding derivatives, specific Risk linked to ABS and MBS, distressed securities risk, risk of investing in speculative grade bonds, specific risks of investing in contingent convertible bonds (Cocos), specific risks associated with OTC derivative transactions, ESG risk, sustainability risk, risk related to exchange rate, risk relating to investments in derivative products

### Asset class breakdown



### Monthly performance contributions

Past performance is not a guarantee of future performance



### Sector breakdown (ICB)

	Fund	Index
Banks	21.9%	2.4%
Govies	10.7%	80.0%
Industrial Goods and Services	9.0%	2.9%
Construction and Materials	6.4%	0.6%
Telecommunications	5.8%	0.6%
Automobiles and Parts	5.4%	1.0%
Health Care	4.9%	1.2%
Energy	4.6%	1.1%
Consumer Products and Services	4.6%	2.3%
Utilities	4.2%	0.7%
Chemicals	2.4%	0.8%
Technology	2.3%	3.5%
Financial Services	1.7%	0.2%
Media	1.7%	0.2%
Basic Resources	1.5%	-
Insurance	1.3%	1.3%
Food, Beverage and Tobacco	1.2%	0.7%
Retail	0.7%	0.3%
Travel and Leisure	0.5%	-
Personal Care, Drug and Grocery	0.3%	0.2%
Real Estate	0.1%	-
UCITS	3.7%	N/A
Cash and equivalents	5.0%	N/A

### Country breakdown

	Fund	Index
France	41.5%	27.3%
Italy	12.6%	19.1%
Spain	11.2%	13.3%
Netherlands	4.9%	7.3%
Germany	4.4%	20.9%
USA	4.0%	-
United Kingdom	1.6%	-
Switzerland	1.6%	-
Denmark	1.4%	-
Sweden	1.4%	0.2%
Belgium	1.3%	4.5%
Czech Republic	1.3%	-
Norway	1.0%	-
Ireland	0.7%	-
Israel	0.6%	-
Austria	0.5%	3.0%
Finland	0.4%	1.5%
Portugal	0.2%	1.8%
Greece	0.2%	-
Slovenia	0.2%	-
Luxembourg	0.2%	-
Poland	0.1%	-
Other Countries	-	1.3%
UCITS	3.7%	N/A
Cash and equivalents	5.0%	N/A

### Bonds portfolio composition and indicators

	Weight	Maturity (yrs)	Modified duration	Yield	Number of lines
Fixed rate bonds	52.13%	2.90	2.42	3.98%	285
Inflation-linked bonds	9.28%	2.98	2.80	3.01%	7
Hybrid bonds	3.15%	1.30	1.26	4.81%	18
Convertible bonds	1.91%	2.23	1.79	6.39%	11
Floating-rate bonds	1.38%	1.33	0.14	3.47%	7
<b>Total</b>	<b>67.86%</b>	<b>2.78</b>	<b>2.36</b>	<b>3.94%</b>	<b>328</b>

### Changes to portfolio holdings\*

**In:** BE Semiconductor Industries NV 4.5% 2031 (4.4), DASSAULT SYSTEMES SE (7.1), EXCLUSIVE NETWORKS SA (5), International Game Technology PLC 3.5% 2026 (5.1), SNF Group SACA 2.63% 2029 (4.7), Ubisoft Entertainment SA 0.88% 2027 (2.9), UNIEURO SPA and Zegona Finance PLC 6.75% 2029 (4.6)

**Out:** Ford Motor Credit Co LLC 1.74% 2024 (4.8), Intesa Sanpaolo SpA 4.38% 2029 (7.2), OHL Operaciones SA 9.75% 2026 (5.3) and Unicaja Banco SA 2025 FRN (3)

\*The figure between brackets represents the issuer's 'responsibility' score. Please refer to the Internal Extra-financial analysis page for the analysis methodology.

### Equity portfolio (23.4%)

#### Main positions<sup>+</sup>

	Weight
TOTALENERGIES SE (3.9)	3.22%
BNP PARIBAS (4.2)	1.96%
SANOFI (5.0)	1.92%
COMPAGNIE DE SAINT GOBAIN (6.0)	1.73%
BOUYGUES SA (5.3)	1.48%

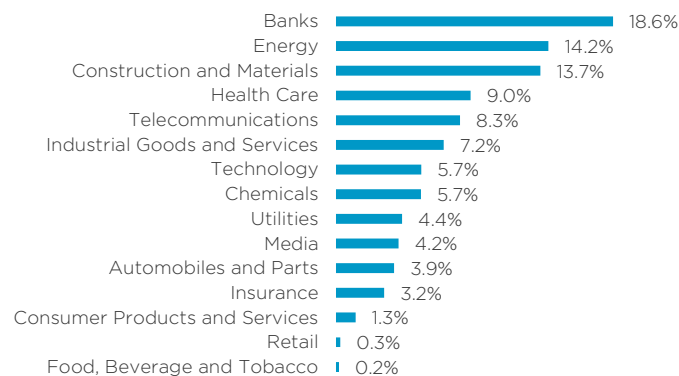
#### Monthly performance contributions

Past performance is not a guarantee of future performance

Best	Weight	Contribution
COMPAGNIE DE SAINT GOBAIN	1.73%	+0.16%
ORANGE	1.48%	+0.13%
BNP PARIBAS	1.96%	+0.12%
SOCIETE GENERALE SA	1.39%	+0.12%
SANOFI	1.92%	+0.11%

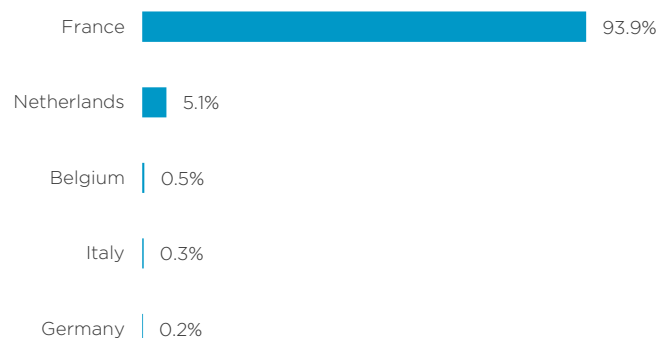
Worst	Weight	Contribution
STMICROELECTRONICS NV	1.15%	-0.24%
THALES SA	0.81%	-0.01%
EXCLUSIVE NETWORKS SA	0.12%	+0.00%
UNIEURO SPA	0.07%	+0.00%
SIXT SE - PRFD	0.04%	+0.00%

#### Sector breakdown (ICB)



Equity portfolio (base 100)

#### Country breakdown



Equity portfolio (base 100)

### Bond portfolio (67.9%)

#### Main positions<sup>+</sup>

	Weight
Spain I/L 2027	2.05%
Italy I/L 2024	1.81%
Italy I/L 2029	1.36%
Italy I/L 2026	1.35%
Spain I/L 2030	1.26%

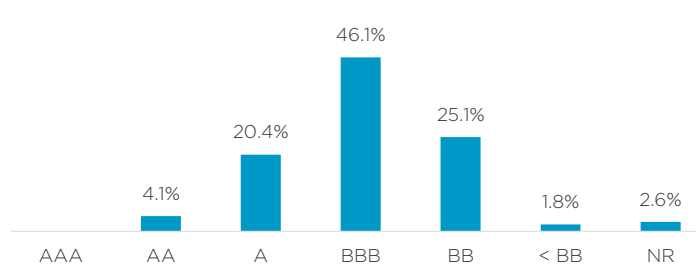
#### Monthly performance contributions

Past performance is not a guarantee of future performance

Best	Weight	Contribution
BTPS 11/2 05/15/29	1.36%	+0.03%
SPGBEI 0.65 11/30/27	2.05%	+0.02%
SPGBEI 1 11/30/30	1.26%	+0.02%
NXIFP 0 7/8 04/19/28	0.17%	+0.02%
BTPS 1.6 11/22/28	0.83%	+0.01%

Worst	Weight	Contribution
FGRFP 1 5/8 01/14/27	0.19%	+0.00%
OHLSM 9 3/4 03/31/26	Out	+0.00%
CHEPDE 7 1/2 05/15/30	0.10%	+0.00%
NEXIIM 0 02/24/28	0.24%	+0.00%
KBCBB 2 7/8 06/29/25	Out	0%

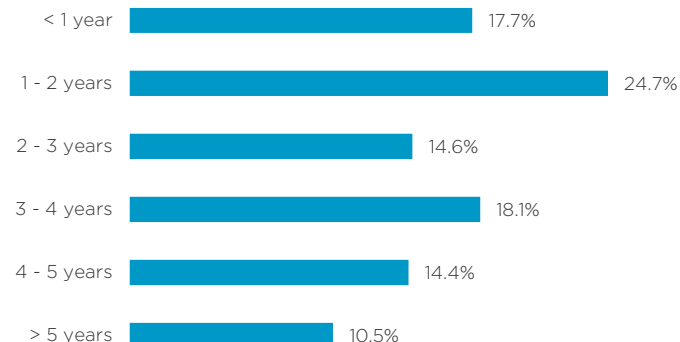
#### Rating breakdown



Bonds portfolio (base 100)

These data are provided for guidance purposes only. The management company does not systematically and automatically use ratings issued by credit rating agencies and carry out its own credit analysis.

#### Maturity breakdown



Bonds portfolio (base 100)

\*The figure between brackets represents the issuer's 'responsibility' score. Please refer to the Internal Extra-financial analysis page for the analysis methodology.

## Portfolio managers comments

Neither of the two major central banks, the FED and the ECB, is altering its monetary policy this month. That said, there is every reason to believe that each will probably cut its key rates at its next meeting in September. Buoyed by the approach of these deadlines, by the downward trajectory of inflation and by the lacklustre economic data for the coming months, interest rates fell almost continuously over the month. The German 10-year lost 20bp, ending the month at 2.30%. Bond markets in the eurozone benefited: +2.3% for the sovereign index, +1.7% for investment grade credit and +1.2% for high yield credit. The EURO STOXX 50 NR remained stable over the month.

Thanks in particular to its exposure to the value part of the equities market, DNCA Invest Eurose gained 0.54% over the month. Its performance since the start of the year stands at 5.03%.

Equities made a positive contribution over the month, with the main contributors being the banking sector (BNP Paribas, Crédit Agricole and Société Générale) and Orange and Saint-Gobain shares, up by almost 10%. During the month, the fund initiated three new positions: Dassault Systèmes, Exclusive Networks and Unieuro. Dassault Systèmes is a French software company which provides virtual experience platforms mainly for the aerospace, construction, industry and healthcare sectors. Exclusive Networks (a French cybersecurity company) and Unieuro (an Italian specialist retailer) are the subject of takeover bids by consortia made up of the CD&R and Permira funds for the former and by Fnac Darty and Ruby (controlled by D. Křetínský) for the latter. The positions of Dassault Aviation, D'leteren and EssilorLuxottica were also strengthened. Conversely, Coface, Corbion, Crédit Agricole, Saint-Gobain and Veolia were reduced. At the end of July, the fund's net exposure to equities was 19.4%, and the portfolio's main holdings were : TotalEnergies (3.2%), BNP Paribas (2.0%), Sanofi (1.9%), Saint-Gobain (1.7%) and Bouygues (1.5%). Hedging accounted for 5.5% (EURO STOXX 50 and CAC 40 futures) and was reduced during the month. The financial characteristics of the portfolio show a P/E for 2024 of 10.3x (EURO STOXX 50 at 14.2x); the dividend yield for 2024 is estimated at 4.3% (EURO STOXX 50 at 3.0%).

Within the bond portfolio, certain bonds whose valuation has become high have been reduced: Avolta 2031, TDF 2028, VodafoneZiggo 2029, Sixt 2027 and Servicios Medio Ambiente 2029. The announcement of a potential takeover bid and delisting of Grifols provided an opportunity to reduce positions in 2027 and 2028 bonds, and the remaining OHLA shares were sold at a time when announcements and rumours about the capital structure were rather difficult to read. EDF and Intesa SanPaolo redeemed their respective subordinated bonds as expected. Some company publications give rise to opportunities to buy or strengthen existing lines. This was particularly the case with the disappointing announcements from Verallia, Ubisoft (new line maturing in 2027), Schaeffler, Sartorius and Wizzair. On the primary side, two new companies entered the portfolio: Vodafone Spain, following the acquisition of Zegona from Vodafone (maturing in 2029 at a yield of 6.75%), and Besi, a Dutch semiconductor company specialising in chip packaging (maturing in 2031 at a yield of 4.5%). Gaming company IGT also enters the portfolio on a short-dated maturity; its digital and online gaming division was due to be distributed to current shareholders and then merged with a competitor (Everi), but in the end Apollo made an offer to buy both entities, which will enable the company to repay its debts more quickly. Finally, French speciality chemicals company SNF was strengthened by the purchase of its 2029 bond.

The extra-financial characteristics of the portfolio show a responsibility performance of 4.96 and an exposure to sustainable transition of 86.88%.

The results published by European companies were marked by messages of heightened caution in several sectors of the economy, particularly those linked to consumption: automotive, luxury goods, technology and travel and leisure. Volatility on risky markets increased towards the end of the month, reflecting a certain nervousness. The Olympic Games seem to have made the French forget the political challenges to be overcome in the short term. Against this still highly uncertain backdrop, there is little reason to change the direction of portfolio management. Potential future bouts of volatility will probably provide an opportunity to strengthen certain positions, particularly in investment-grade and high-yield credit.

Text completed on 06/08/2024.



Jean-Charles  
Meriaux



Romain  
Grandis, CFA



Damien  
Lanternier, CFA



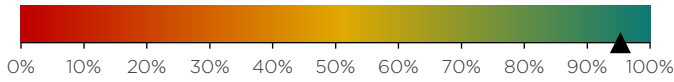
Adrien  
Le Clairche



Baptiste  
Planchard, CFA

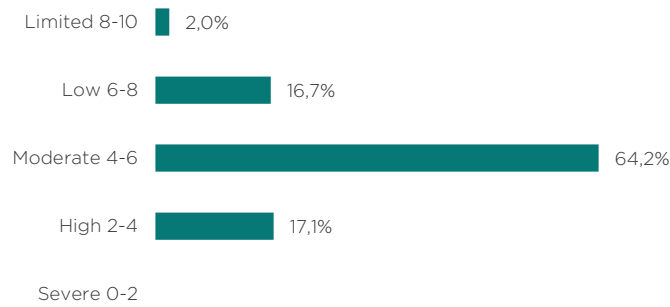
**Internal extra-financial analysis**

**ABA coverage rate<sup>+</sup> (95.3%)**



**Average Responsibility Score: 5.0/10**

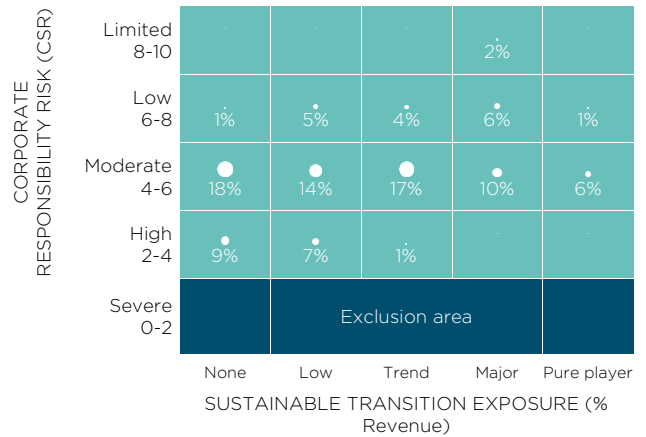
**Responsibility risk breakdown<sup>(1)</sup>**



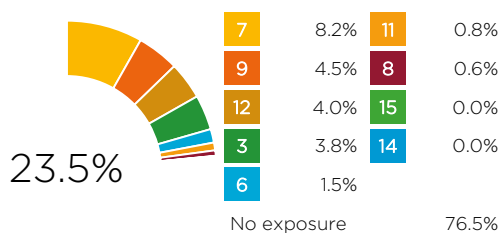
**Selectivity universe exclusion rate**



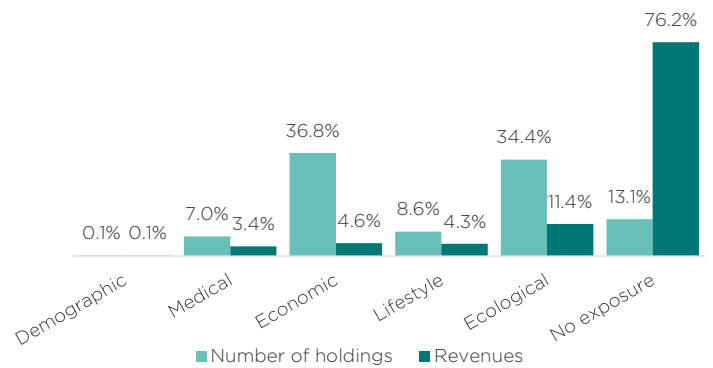
**Transition/CSR exposure<sup>(2)</sup>**



**SDG's exposure<sup>(3)</sup>  
(% of revenues)**



**Sustainable transitions exposure<sup>(4)</sup>**



**Analysis methodology**

We develop proprietary models based on our expertise and conviction to add tangible value in the selection of portfolio securities. DNCA's ESG analysis model, Above & Beyond Analysis (ABA), respects this principle and offers a rating that we control the entire construction. Information from companies is the main input to our rating. The methodologies for calculating ESG indicators and our responsible investor and engagement policy are available on our website [by clicking here](#).

<sup>(1)</sup> The rating out of 10 integrates 4 risks of responsibility: shareholder, environmental, social and societal. Whatever their sector of activity, 24 indicators are evaluated, such as social climate, accounting risks, suppliers, business ethics, energy policy, quality of management.

<sup>(2)</sup> The ABA Matrix combines the Responsibility Risk and the Sustainable Transition exposure of the portfolio. It allows us to map companies to be mapped using a risk/opportunity approach.

<sup>(3)</sup> 1 No poverty. 2 Zero hunger. 3 Good health and well-being. 4 Quality education. 5 Gender equality. 6 Clean water and sanitation. 7 Clean and affordable energy. 8 Decent work and economic growth. 9 Industry, innovation and infrastructure. 10 Reduced inequalities. 11 Sustainable cities and communities. 12 Sustainable consumption and production. 13 Tackling climate change. 14 Aquatic life. 15 Terrestrial life. 16 Peace, justice and effective institutions. 17 Partnerships to achieve the goals.

<sup>(4)</sup> 5 transitions based on a long-term perspective of the financing of the economy allow the identification of activities with a positive contribution to sustainable development and to measure the exposure of companies in terms of turnover as well as exposure to the UN Sustainable Development Goals.

\*The coverage rate measures the proportion of issuers (equities and corporate bonds) taken into account in the calculation of the extra-financial indicators. This measure is calculated as a % of the net assets adjusted for cash, money market instruments, derivatives and any vehicle outside the scope of "listed equities and corporate bonds".

## Principal Adverse Impacts

PAI	Unit	Fund		Ref. Index	
		Coverage	Value	Coverage	Value
PAI Corpo 1_1 - Tier 1 GHG emissions	T CO <sub>2</sub>	81%	94,122	100%	76,621
PAI Corpo 1_2 - Tier 2 GHG emissions	T CO <sub>2</sub>	81%	29,522	100%	28,150
PAI Corpo 1_3 - Tier 3 GHG emissions	T CO <sub>2</sub>	81%	957,083	100%	935,570
PAI Corpo 1T - Total GHG emissions	T CO <sub>2</sub>	81%	1,097,368	100%	1,041,848
PAI Corpo 2 - Carbon footprint	T CO <sub>2</sub> /EUR million invested	81%	448	100%	91
PAI Corpo 3 - GHG intensity	T CO <sub>2</sub> /EUR million sales	90%	921	100%	954
PAI Corpo 4 - Share of investments in companies active in the fossil fuel sector		10%	5%	11%	2%
PAI Corpo 5 - Share of non-renewable energy consumption and production		87%	66%	100%	55%
PAI Corpo 6_TOTAL - Energy consumption intensity by sector with high climate impact NACE	GWh/EUR million sales	87%	0.3	100%	0.3
PAI Corpo 7 - Activities with a negative impact on biodiversity-sensitive areas		88%	9%	100%	3%
PAI Corpo 8 - Water discharges	T Water Emissions	4%	155	3%	3,787
PAI Corpo 9 - Hazardous or radioactive waste ratio	T Hazardous Waste	81%	958,402	100%	123,727
PAI Corpo 10 - Violations of UNGC and OECD principles		91%	0%	100%	0%
PAI Corpo 11 - Lack of UNGC and OECD compliance processes and mechanisms		88%	1%	100%	0%
PAI Corpo 12 - Unadjusted gender pay gap		66%	13%	76%	13%
PAI Corpo 13 - Gender diversity in governance bodies		89%	41%	100%	43%
PAI Corpo 14 - Exposure to controversial weapons		91%	0%	100%	0%
PAI Corpo OPT_1 - Water use	m <sup>3</sup> /EUR mln sales	8%	10	14%	0
PAI Corpo OPT_2 - Water recycling		5%	0%	13%	0%
PAI Corpo OPT_3 - Number of days lost due to injury, accident, death or illness		34%	584	31%	119

Source : MSCI

## Administrative information

**Name:** DNCA INVEST Eurose  
**ISIN code (Share B - CHF):** LU0765621056  
**SFDR classification:** Art.8  
**Inception date:** 19/02/2013  
**Investment horizon:** Minimum 3 years  
**Currency:** Franc  
**Country of domicile:** Luxembourg  
**Legal form:** SICAV  
**Reference Index:** 80% FTSE Eurozone Government Bond Index + 20% EURO STOXX 50 NR  
**Valuation frequency:** Daily  
**Management company:** DNCA Finance

### Portfolio Managers:

Jean-Charles MERIAUX  
 Romain GRANDIS, CFA  
 Damien LANTERNIER, CFA  
 Adrien LE CLAINCHE  
 Baptiste PLANCHARD, CFA

**Minimum investment:** 0 CHF  
**Subscription fees:** 1% max  
**Redemption fees:** -  
**Management fees:** 1.60%  
**Ongoing charges as of 30/12/2022:** 1.62%  
**Performance fees:** -

**Custodian:** BNP Paribas - Luxembourg Branch  
**Settlement:** T+2  
**Cut off:** 12:00 Luxembourg time

## Legal information

**This is an advertising communication. Please refer to the Fund's Prospectus and Key Information Document before making any final investment decision.** This document is a promotional document for use by non-professional clients within the meaning of the MIFID II Directive. This document is a simplified presentation tool and does not constitute an offer to subscribe or investment advice. The information presented in this document is the property of DNCA Finance. It may not be distributed to third parties without the prior consent of DNCA Finance. The tax treatment depends on the situation of each, is the responsibility of the investor and remains at his expense. The Document d'Informations Clés and the Prospectus must be given to the investor, who must read them prior to any subscription. All the regulatory documents of the sub-fund are available free of charge on the website of the management company [www.dnca-investments.com](http://www.dnca-investments.com) or on written request to [dnca@dnca-investments.com](mailto:dnca@dnca-investments.com) or directly to the registered office of the company 19, Place Vendôme - 75001 Paris. Investments in the sub-fund entail risks, in particular the risk of loss of capital resulting in the loss of all or part of the amount initially invested. DNCA Finance may receive or pay a fee or retrocession in relation to the sub-fund(s) presented. DNCA Finance shall in no event be liable to any person for any direct, indirect or consequential loss or damage of any kind whatsoever resulting from any decision made on the basis of information contained in this document. This information is provided for information purposes only, in a simplified manner and may change over time or be modified at any time without notice.

Past performance is not a reliable indicator of future performance.

The award of this label to a compartment does not mean that it meets your own sustainability objectives or that the label corresponds to the requirements of future national or European regulations. For more information on this subject, please visit : [www.lelabelisr.fr](http://www.lelabelisr.fr) and [www.lelabelisr.fr/comment-investir/fonds-labellises](http://www.lelabelisr.fr/comment-investir/fonds-labellises)

Sub-fund of DNCA INVEST Investment company with variable capital (SICAV) under Luxembourg law in the form of a Société Anonyme - domiciled at 60 Av. J.F. Kennedy - L-1855 Luxembourg. It is authorised by the Commission de Surveillance du Secteur Financier (CSSF) and subject to the provisions of Chapter 15 of the Law of 17 December 2010.

DNCA Finance is a limited partnership (Société en Commandite Simple) approved by the Autorité des Marchés Financiers (AMF) as a portfolio management company under number GP00-030 and governed by the AMF's General Regulations, its doctrine and the Monetary and Financial Code. DNCA Finance is also a Non-Independent Investment Advisor within the meaning of the MIFID II Directive. DNCA Finance - 19 Place Vendôme-75001 Paris - e-mail: [dnca@dnca-investments.com](mailto:dnca@dnca-investments.com) - tel: +33 (0)1 58 62 55 00 - website: [www.dnca-investments.com](http://www.dnca-investments.com)

Any complaint may be addressed, free of charge, either to your usual contact (within DNCA Finance or within a delegate of DNCA Finance), or directly to the Head of Compliance and Internal Control (RCCI) of DNCA Finance by writing to the company's head office (19 Place Vendôme, 75001 Paris, France). In the event of persistent disagreement, you may have access to mediation. The list of out-of-court dispute resolution bodies and their contact details according to your country and/or that of the service provider concerned can be freely consulted by following the link [https://finance.ec.europa.eu/consumer-finance-and-payments/retail-financial-services/financial-dispute-resolution-network-fin-net/members-fin-net-country\\_fr](https://finance.ec.europa.eu/consumer-finance-and-payments/retail-financial-services/financial-dispute-resolution-network-fin-net/members-fin-net-country_fr).

A summary of investors' rights is available in English at the following link: <https://www.dnca-investments.com/en/regulatory-information>

This product promotes environmental or social characteristics, but does not have as its objective a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.

This product is subject to sustainability risks as defined in the Regulation 2019/2088 (article 2(22)) by environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

If the portfolio investment process can incorporate ESG approach, the portfolio's investment objective is not primarily to mitigate this risk. The sustainability risk management policy is available on the website of the Management Company.

The reference benchmark as defined in the Regulation 2019/2088 (article 2(22)) does not intend to be consistent with the environmental or social characteristics promoted by the fund.

## Glossary

**Beta.** Measures the average extent to which a fund moves relative to the broader market. The beta of a market is 1. A fund with a beta of more than 1 moves on average to a greater extent than the market. A fund with a beta of less than 1 moves on average to a lesser extent. If beta is a minus number, it is likely that the stock and the market move in opposite directions.

**Convertible Bond.** Hybrid securities that have both bond and equity characteristics. Convertible bonds make periodic interest payments like a bond, but bondholders also get an option to exchange their bonds for a specified number of shares of common stock. Convertible bonds typically carry lower coupon rates, thus reducing the corporation's cost of borrowing.

**Correlation coefficient.** The correlation coefficient is a measure of correlation. It is used to determine the relationship between two assets over a given period. A positive coefficient means that the two assets move in the same direction. Conversely, a negative coefficient means that the assets move in the opposite direction. The correlation or decorrelation can be more or less strong and varies between -1 and 1.

**Delta.** The delta of a position expresses the change in the price of an option when its underlying asset price varies. It corresponds to the derivative of the theoretical value of the option relating to the price of the underlying asset.

**Maturity.** The time when a bond or other debt instrument is due to for redemption (is due to mature); or the length of time between the issue of such an instrument and the date it is due for redemption (the maturity date).

**Sensitivity.** The sensitivity of a bond measures the change in its percentage value induced by a given change in interest rates.

**Sharpe Ratio.** A way of measuring the historical risk-adjusted return on an investment. It is the average previous return minus the risk-free return, divided by the standard deviation (a measure of risk that looks at the diversion of actual returns from expected returns).

**Sharpe Ratio.** The Sharpe ratio measures the excess return over the risk-free money rate of an asset portfolio divided by the standard deviation of that return. It is therefore a measure of the marginal return per unit of risk. It is used to measure the performance of managers with different risk policies.

**Tracking error.** Tracking Error is a measure of how closely an investment portfolio follows the index against which it is benchmarked. It is the difference in the return earned by a portfolio and the return earned by the benchmark against which the portfolio is constructed. For example, if a bond portfolio earns a return of 5.15% during a period when the portfolio's benchmark (say, for example, the Lehman Brothers Index) produces a return of 5.06%, the tracking error is .09%, or 9 basis points.

## Additional notes

This material has been provided for information purposes only to investment service providers or other Professional Clients, Qualified or Institutional Investors and, when required by local regulation, only at their written request. This material must not be used with Retail Investors. It is the responsibility of each investment service provider to ensure that the offering or sale of fund shares or third party investment services to its clients complies with the relevant national law.

Please read the Prospectus and Key Information Document carefully before investing. If the fund is registered in your jurisdiction, these documents are also available free of charge and in the official language of the country of registration at the Natixis Investment Managers website ([im.natixis.com/intl/intl-fund-documents](http://im.natixis.com/intl/intl-fund-documents)).

To obtain a summary of investor rights in the official language of your jurisdiction, please consult the legal documentation section of the website ([im.natixis.com/intl/intl-fund-documents](http://im.natixis.com/intl/intl-fund-documents)).

- **In the E.U.:** Provided by Natixis Investment Managers International or one of its branch offices listed below. Natixis Investment Managers International is a portfolio management company authorized by the Autorité des Marchés Financiers (French Financial Markets Authority - AMF) under no. GP 90-009, and a public limited company (société anonyme) registered in the Paris Trade and Companies Register under no. 329 450 738, Registered office: 43 avenue Pierre Mendès France, 75013 Paris. Germany: Natixis Investment Managers International, Zweigniederlassung Deutschland (Registration number: HRB 129507). Registered office: Senckenberganlage 21, 60325 Frankfurt am Main. Italy: Natixis Investment Managers International Succursale Italiana (Registration number: MI-2637562). Registered office: Via San Clemente 1, 20122 Milan, Italy. Netherlands: Natixis Investment Managers International, Dutch branch (Registration number: 000050438298), Registered office: Stadsplateau 7, 3521AZ Utrecht, the Netherlands. Spain: Natixis Investment Managers International S.A., Sucursal en España (Registration number: NIF W0232616C), Registered office: Serrano nº90, 6th Floor, 28006 Madrid, Spain. Luxembourg: Natixis Investment Managers International, Luxembourg branch (Registration number: B283713), Registered office: 2, rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg. Belgium: Natixis Investment Managers International, Belgian branch (Registration number: 1006.931.462), Gare Maritime, Rue Picard 7, Bte 100, 1000 Bruxelles, Belgium.
- **In Switzerland:** Provided for information purposes only by Natixis Investment Managers, Switzerland Sàrl (Registration number: CHE-114.271.882), Rue du Vieux Collège 10, 1204 Geneva, Switzerland or its representative office in Zurich, Schweizergasse 6, 8001 Zürich.
- **In the British Isles:** Provided by Natixis Investment Managers UK Limited which is authorised and regulated by the UK Financial Conduct Authority (FCA firm reference no. 190258) - registered office: Natixis Investment Managers UK Limited, Level 4, Cannon Bridge House, 25 Dowgate Hill, London, EC4R 2YA. When permitted, the distribution of this material is intended to be made to persons as described as follows: **in the United Kingdom:** this material is intended to be communicated to and/or directed at investment professionals and professional investors only; **in Ireland:** this material is intended to be communicated to and/or directed at professional investors only; **in Guernsey:** this material is intended to be communicated to and/or directed at only financial services providers which hold a license from the Guernsey Financial Services Commission; **in Jersey:** this material is intended to be communicated to and/or directed at professional investors only; **in the Isle of Man:** this material is intended to be communicated to and/or directed at only financial services providers which hold a license from the Isle of Man Financial Services Authority or insurers authorised under section 8 of the Insurance Act 2008.
- **In the DIFC:** Provided in and from the DIFC financial district by Natixis Investment Managers Middle East (DIFC Branch) which is regulated by the DFSA. Related financial products or services are only available to persons who have sufficient financial experience and understanding to participate in financial markets within the DIFC and qualify as Professional Clients or Market Counterparties as defined by the DFSA. No other Person should act upon this material. Registered office: Unit L10-02, Level 10, JCD Brookfield Place, DIFC, PO Box 506752, Dubai, United Arab Emirates.
- **In Taiwan:** Provided by Natixis Investment Managers Securities Investment Consulting (Taipei) Co., Ltd., a Securities Investment Consulting Enterprise regulated by the Financial Supervisory Commission of the R.O.C. Registered address: 34F., No. 68, Sec. 5, Zhongxiao East Road, Xinyi Dist., Taipei City 1065, Taiwan (R.O.C.), license number 2020 FSC SICE No. 025, Tel. +886 2 8789 2788.
- **In Singapore:** Provided by Natixis Investment Managers Singapore Limited (NIM Singapore) having office at 5 Shenton Way, #22-05/06, UIC Building, Singapore 068808 (Company Registration No. 199801044D) to distributors and qualified investors for information purpose only. NIM Singapore is regulated by the Monetary Authority of Singapore under a Capital Markets Services Licence to conduct fund management activities and is an exempt financial adviser. Mirova Division (Business Name Registration No.: 53431077W) and Ostrum Division (Business Name Registration No.: 53463468X) are part of NIM Singapore and are not separate legal entities. This advertisement or publication has not been reviewed by the Monetary Authority of Singapore.
- **In Hong Kong:** Provided by Natixis Investment Managers Hong Kong Limited to professional investors for information purpose only.
- **In Australia:** Provided by Natixis Investment Managers Australia Pty Limited (ABN 60 088 786 289) (AFSL No. 246830) and is intended for the general information of financial advisers and wholesale clients only.
- **In New Zealand:** This document is intended for the general information of New Zealand wholesale investors only and does not constitute financial advice. This is not a regulated offer for the purposes of the Financial Markets Conduct Act 2013 (FMCA) and is only available to New Zealand investors who have certified that they meet the requirements in the FMCA for wholesale investors. Natixis Investment Managers Australia Pty Limited is not a registered financial service provider in New Zealand.
- **In Colombia:** Provided by Natixis Investment Managers International Oficina de Representación (Colombia) to professional clients for informational purposes only as permitted under Decree 2555 of 2010. Any products, services or investments referred to herein are rendered exclusively outside of Colombia. This material does not constitute a public offering in Colombia and is addressed to less than 100 specifically identified investors.
- **In Latin America:** Provided by Natixis Investment Managers International.
- **In Chile:** Esta oferta privada se inicia el día de la fecha de la presente comunicación. La presente oferta se acoge a la Norma de Carácter General N° 336 de la Superintendencia de Valores y Seguros de Chile. La presente oferta versa sobre valores no inscritos en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la Superintendencia de Valores y Seguros, por lo que los valores sobre los cuales ésta versa, no están sujetos a su fiscalización. Que por tratarse de valores no inscritos, no existe la obligación por parte del emisor de entregar en Chile información pública respecto de estos valores. Estos valores no podrán ser objeto de oferta pública mientras no sean inscritos en el Registro de Valores correspondiente.
- **In Mexico:** Provided by Natixis IM Mexico, S. de R.L. de C.V., which is not a regulated financial entity, securities intermediary, or an investment manager in terms of the Mexican Securities Market Law (Ley del Mercado de Valores) and is not registered with the Comisión Nacional Bancaria y de Valores (CNBV) or any other Mexican authority. Any products, services or investments referred to herein that require authorization or license are rendered exclusively outside of Mexico. While shares of certain ETFs may be listed in the Sistema Internacional de Cotizaciones (SIC), such listing does not represent a public offering of securities in Mexico, and therefore the accuracy of this information has not been confirmed by the CNBV. Natixis Investment Managers is an entity organized under the laws of France and is not authorized by or registered with the CNBV or any other Mexican authority. Any reference contained herein to "Investment Managers" is made to Natixis Investment Managers and/or any of its investment management subsidiaries, which are also not authorized by or registered with the CNBV or any other Mexican authority.
- **In Uruguay:** Provided by Natixis Investment Managers Uruguay S.A., a duly registered investment advisor, authorised and supervised by the Central Bank of Uruguay. Office: San Lucar 1491, Montevideo, Uruguay, CP 11500. The sale or offer of any units of a fund qualifies as a private placement pursuant to section 2 of Uruguayan law 18.627.
- **In Brazil:** Provided to a specific identified investment professional for information purposes only by Natixis Investment Managers International. This communication cannot be distributed other than to the identified addressee. Further, this communication should not be construed as a public offer of any securities or any related financial instruments. Natixis Investment Managers International is a portfolio management company authorized by the Autorité des Marchés Financiers (French Financial Markets Authority - AMF) under no. GP 90-009, and a public limited company (société anonyme) registered in the Paris Trade and Companies Register under no. 329 450 738. Registered office: 43 avenue Pierre Mendès France, 75013 Paris.



The above referenced entities are business development units of Natixis Investment Managers, the holding company of a diverse line-up of specialised investment management and distribution entities worldwide. The investment management subsidiaries of Natixis Investment Managers conduct any regulated activities only in and from the jurisdictions in which they are licensed or authorised. Their services and the products they manage are not available to all investors in all jurisdictions.

Although Natixis Investment Managers believes the information provided in this material to be reliable, including that from third party sources, it does not guarantee the accuracy, adequacy, or completeness of such information. May not be redistributed, published, or reproduced, in whole or in part.

**Investors should consider the investment objectives, risks and expenses of any investment carefully before investing.** The analyses, opinions, and certain of the investment themes and processes referenced herein represent the views of the portfolio manager(s) as of the date indicated. These, as well as the portfolio holdings and characteristics shown, are subject to change. There can be no assurance that developments will transpire as may be forecasted in this material. The analyses and opinions expressed by external third parties are independent and does not necessarily reflect those of Natixis Investment Managers. Although Natixis Investment Managers believes the information provided in this material to be reliable, including that from third party sources, it does not guarantee the accuracy, adequacy, or completeness of such information. May not be redistributed, published, or reproduced, in whole or in part. Amounts shown are expressed in USD unless otherwise indicated. Natixis Investment Managers may decide to terminate its marketing arrangements for this fund in accordance with the relevant legislation.