

Press Release

Ossiam launches first Euro Government Bond Reduced Carbon ETF

Paris, June 18th 2020 – Ossiam, the smart beta investment specialist and affiliate of Natixis Investment Managers, has today announced the listing of a new exchange-traded fund, the **Ossiam Euro Government Bonds 3-5Y Carbon Reduction UCITS ETF 1C (EUR)**, on the Xetra exchange in Germany. The fund launches with €200 million of investor capital.

The fund's strategy aims to replicate the performance of the ICE (Intercontinental Exchange) 3-5 Year Euro Government Carbon Reduction Index.

Bruno Poulin, CEO of Ossiam, said: *"We are very pleased to announce the launch of our latest ETF to add to our ESG product range. It's an additional component for investors who wish to manage their portfolio's total carbon footprint."*

The objective of the new ETF is to provide investors with exposure to eurozone bonds with a 3 to 5-year maturity tranche incorporating a systematic reduction of the portfolio's carbon footprint by weighting dependent on countries' respective carbon footprints. To limit relative risks, the composition returns to the benchmark's performance and risk/return profile when the spreads between Germany and other Eurozone countries diverge at an accelerating rate.

The index is composed of a selection of EUR-denominated sovereign bonds with a remaining maturity greater than three years and less than five years, issued by Eurozone country members. The weights of the bonds in the fund are determined using an optimisation procedure that aims to minimise deviations from the weights of the bonds in the investment universe, the ICE BofAML 3-5 Year Euro Government Index, while reducing the carbon footprint within country deviation limits.

Carbon Reduction

The strategy has an average fossil carbon emission target 30% lower than that of the investment universe. The target is calculated using the carbon data of each country in the portfolio and their respective weights, based on fossil CO₂ per capita data published in the European Union's Emissions

Database for Global Atmospheric Research. The strategy allows a 5% maximum deviation of each country's weight from their weight in the benchmark index. It achieves an actual 12.6% reduction versus the benchmark, in tons of CO₂ per capita per year.

The ETF is regulated in Luxembourg, carries a maximum Total Expense Ratio of 0.17% and uses physical replication. It is denominated in Euros.

– Ends –

For media enquiries, please contact:

Evan de Barra

T: +44 07807 954 263 / +44 (0)20 8638 0711

E: Edb@debarracomms.com

Skype: Evan.deBarra

DeBarra Communications Ltd.

Important information

Before investing in the product described in this press release, investors are invited to consult their financial, tax, accounting and legal advisors. It is the responsibility of each investor to ensure that he or she is authorized to subscribe or invest in this product.

The Ossiam Euro Government Bonds 3-5Y Carbon Reduction is authorized in Luxembourg and regulated by the Commission de Surveillance du Secteur Financier. Ossiam recommends investors to read carefully the "Risk and Reward Profile" section in the Key Investors Information Document (KIID) and Prospectus prior to investing. Both prospectus and KIID are publicly available on our website www.ossiam.com.

Principal value and returns fluctuate over time (including as a result of currency fluctuations) so that Shares, when redeemed, may be worth more or less than their original cost, above all when the performance of the benchmark index is negative during the investment period. There is no guarantee that the capital invested in a Share will be returned to the investor in full. Please note that if the currency of the fund/share class is different from the currency of your area, any losses or gains generated by the fund/share class may be affected by exchange rate fluctuations (both upward and downward).

Risk consideration:

Index risk. The value of the Fund's Shares is linked to the Index, the value of which may rise or fall. Hence, investors should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that the underlying methodology of the Index will indeed result in a return above any comparable investment strategy or that they will recover their initial investment.

Credit risk. By investing in debt securities issued by a corporate, bank or sovereign organization the Fund may be exposed to the possibility that this issuer will not be able to reimburse debt holders (principal and interest payment). In addition, if after acquisition the perceived risk of failure increases, the value of such securities is likely to decrease.

**About Ossiam**

Ossiam is a specialist asset management company that develops and manages investment funds, including exchange-traded funds (ETFs), based on systematic investment processes. Ossiam funds use alternatively weighted indexes – also known as alternative beta or smart beta – applied to a range of financial asset classes. Our ETFs have been listed on major European stock exchanges, including Deutsche Börse, Borsa Italiana, London Stock Exchange, NYSE Euronext and the SIX Swiss Exchange since 2011.

The team behind Ossiam has extensive experience in quantitative research and financial product design, fund management, trading and risk management. Ossiam was the first asset manager to launch an ETF based on a minimum variance strategy and the first asset manager to launch a risk-weighted smart beta commodity ETF.

Ossiam is headquartered in Paris, France, and is an affiliate of Natixis Investment Managers. The investment company is regulated by the Autorité des marchés financiers (AMF) of France. Ossiam's total assets under management were €4.2bn as of end of 2019.

Ossiam is a signatory to the United Nations Principles for Responsible Investment.

www.ossiam.com



About Natixis Investment Managers

Natixis Investment Managers serves financial professionals with more insightful ways to construct portfolios. Powered by the expertise of more than 20 specialized investment managers globally, we apply Active Thinking® to deliver proactive solutions that help clients pursue better outcomes in all markets. Natixis Investment Managers ranks among the world's largest asset management firms¹ with more than \$1 trillion assets under management² (€934.1 billion).

Headquartered in Paris and Boston, Natixis Investment Managers is a subsidiary of Natixis. Listed on the Paris Stock Exchange, Natixis is a subsidiary of BPCE, the second-largest banking group in France. Natixis Investment Managers' affiliated investment management firms include AEW; Alliance Entreprendre; AlphaSimplex Group; Darius Capital Partners; DNCA Investments;³ Dorval Asset Management; Flexstone Partners; Gateway Investment Advisers; H2O Asset Management; Harris Associates; Investors Mutual Limited; Loomis, Sayles & Company; Mirova; MV Credit; Naxicap Partners; Ossiam; Ostrum Asset Management; Seeyond; Seventure Partners; Thematics Asset Management; Vauban Infrastructure Partners;⁴ Vaughan Nelson Investment Management; Vega Investment Managers;⁵ and WCM Investment Management. Investment solutions are also offered through Natixis Advisors and Natixis Investment Managers Solutions.⁶ **Not all offerings available in all jurisdictions.** For additional information, please visit Natixis Investment Managers' website at im.natixis.com | LinkedIn: [linkedin.com/company/natixis-investment-managers](https://www.linkedin.com/company/natixis-investment-managers).

Natixis Investment Managers' distribution and service groups include Natixis Distribution, L.P., a limited purpose broker-dealer and the distributor of various registered investment companies for which advisory services are provided by affiliated firms of Natixis Investment Managers, Natixis Investment Managers S.A. (Luxembourg), Natixis Investment Managers International and its global affiliated distribution and investment management entities.

¹ Cerulli Quantitative Update: Global Markets 2019 ranked Natixis Investment Managers as the 17th largest asset manager in the world based on assets under management as of December 31, 2018.

² Net asset value as of December 31, 2019 is \$1,048.4 billion. Assets under management ("AUM"), as reported, may include notional assets, assets serviced, gross assets, assets of minority-owned affiliated entities and other types of non-regulatory AUM managed or serviced by firms affiliated with Natixis Investment Managers.

³ A brand of DNCA Finance.

⁴ Not yet licensed – currently pending authorization process as a portfolio management company with the French *Autorité des marchés financiers* (the "AMF").

⁵ A wholly-owned subsidiary of Natixis Wealth Management.

⁶ Natixis Investment Managers Solutions teams, based in several locations (Paris, London, Geneva), gather the asset allocation, portfolio construction, multi-asset portfolio management and structuring expertise of Natixis Investment Managers. Only the entity based in Paris has the portfolio management company certification.