

Mirova expands its fixed income range

PRESS RELEASE

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Mirova, the affiliate of Natixis Investment Managers specialising in sustainable investment, announced today the launch of two bond funds classified as Article 9 under the SFDR¹ - the Mirova Euro High Yield Sustainable Bond Fund and the Mirova Euro Short Term Sustainable Bond Fund², both aligned with a 2°C climate scenario³.

Mirova is expanding its fixed income range with the launch of the Mirova Euro High Yield Sustainable Bond Fund and the Mirova Euro Short Term Sustainable Bond Fund. Mirova's bond strategy now encompasses solutions that can be adapted to various bond market conditions, giving investors access across a broader economic spectrum while supporting environmental and social development.

Hervé Guez, CIO of Equity and Fixed Income and Social Impact at Mirova, said: "Today, more than ever, we must give priority to financing that contributes to environmental and social development. 2022 has unfortunately shown us that the problem of energy dependence must be addressed as quickly as possible and integrated into a longer-term energy transition plan. Our two new funds align with this wish and with Mirova's mission".

Both funds will benefit from Mirova's unique and integrated management process, underpinned by the expertise of its Sustainable Development Research team of over 15 analysts. Since 2014, the team has developed its own methodology at both the issuer and a green and sustainable issuance programme level, based on opportunity and risk analysis. A proprietary analysis is also applied to each issuer, which is assessed according to its level of compliance with the United Nations Sustainable Development Goals (SDGs).

Then, using the credit analysis integrated into the bond management team, managers combine in-depth fundamental and valuation assessments.

By investing in both green and social bonds from all types of issuers and in conventional corporate bonds that contribute to the energy transition, Mirova excludes from its investment selection any programmes or companies whose sustainability projects or strategies are not considered sufficiently ambitious. Like all other Mirova funds, these new portfolios will adhere to a maximum 2°C scenario to participate in the decarbonisation of the economy, while most bond indices are aligned with scenarios ranging from 3°C–3.5°C.

¹ *The Sustainable Finance Disclosure Reporting (SFDR) Regulation aims to provide more transparency in reporting obligations of market participants, especially in terms of environmental and social responsibility within the financial markets, particularly in the provision of sustainability information on financial products (integration of sustainability risks and negative impacts).*

Products classified as Article 9 under the SFDR have a sustainability investment objective versus products classified as Article 6 (no sustainability objective) or Article 8 (environmental and/or social characteristics).

² The Mirova Euro Short Term Sustainable Bond Fund and Mirova Euro High Yield Sustainable Bond Fund are sub-funds of the SICAV Mirova Funds, supervised by the Commission de Surveillance du Secteur Financier ("CSSF"). Natixis Investment Managers International is the management company, and Mirova is the delegated financial manager..

³ This scenario is about the action plans put in place to comply with the Paris Agreement, i.e. the increase that should not be exceeded for the average temperature of the planet between 1850–2100.

The Mirova Euro High Yield Sustainable Bond Fund

To accelerate the financing of the energy transition, Mirova has decided to broaden its management offering to smaller companies that are sometimes less highly rated by the big credit rating agencies but with a higher potential return. The High Yield segment⁴ is composed of impact-generating companies with a critical need for financing.

Of particular interest are companies specialising in medical care, sustainable mobility, clean packaging, recycling/waste treatment, and sustainable real estate.

Mirova seeks to identify companies that it believes are working towards a more eco-friendly and sustainable planet and society and which promote a circular economy. The conservation and reuse of scarce resources will be central to their strategy.

This fund offers a portfolio of approximately 80 issuers with credit rating upgrade potential and the possibility of robust yields, whose solutions are helping accelerate the transition towards a more sustainable economic model, while maintaining a risk profile mid-way between equities and bonds and a moderate duration.

⁴ High Yield bonds are bonds rated below BBB- by credit rating agencies

The Mirova Euro Short Term Sustainable Bond fund

Given the markets' transition from a negative interest rate environment to higher rate levels in line with inflation expectations for a large part of the investment world, Mirova sought to complete its existing bond offering with a fund that combines positive impact and low duration⁵. This fund seeks to reduce the negative impact of increasing interest rates on the absolute performance of the portfolio and to benefit from yields on maturities of less than four years, which have now become attractive again.

Beyond the market context, the Mirova Euro Short Term Sustainable Bond Fund, like the rest of the company's funds, underlines the firm's desire to accelerate investments in companies that provide solutions for participating in environmental and social development. The fund invests in green and sustainable bond programmes and many companies that need short/medium-term financing to address and provide solutions to sustainable development issues.

As with all of Mirova's bond offerings, thanks to an in-depth ESG analysis of issuers and green and sustainable programmes, the portfolio will be aligned with a maximum 2°C global warming scenario and will be classified as Article 9 under the SFDR regulation.

⁵ The duration is the average discounted life of all flows (interest and capital) expressed in years

Some key figures about Mirova as of June 30, 2022 :

- 4.3 billion euros of assets under management are invested in bonds
- 72% exposure to green and social bonds

The specific risks associated with investing in these two funds are related to the following:

Capital loss, Financial derivatives, Debt securities, Liquidity, Interest rate fluctuations, Emerging markets, Credit risk, Sustainability risk, Investment in convertible contingent securities (CoCo), Counterparty risk, Foreign exchange rate, Changes in laws and/or tax regimes, ESG based investments, Sub-investment grade or unrated securities.

The Funds are subject to sustainability risks as defined in Regulation 2019/2088 (Article 2(22)) as an environmental, social, or governance event or condition that, if it occurs, could have an actual or potential material negative impact on the value of the relevant investment. Further information on the framework and decision-making process related to the integration of sustainability risks is available on the website of the Management Company and the Sub-Investment Manager.

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About Mirova

Mirova is a management company dedicated to sustainable investment and an affiliate of Natixis Investment Managers. Through conviction management, Mirova's goal is to combine long-term value creation and sustainable development. Pioneers in many areas of sustainable finance, Mirova's talents aim to continue innovating in order to offer their clients solutions with high environmental and social impact. Mirova and its affiliates manage €25.5 billion as of June 30, 2022. Mirova is a mission-driven company, labeled B Corp*.

*The reference to a ranking or a label does not prejudice the future performance of the funds or its managers.

Portfolio Management Company - Anonymous Company

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Mirova is an affiliate of Natixis Investment Managers.

> Website: www.mirova.com

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About Natixis Investment Managers

Natixis Investment Managers' multi-affiliate approach connects clients to the independent thinking and focused expertise of more than 20 active managers. Ranked among the world's largest asset managers¹ with more than \$1.1 trillion assets under management² (€1.1 trillion), Natixis Investment Managers delivers a diverse range of solutions across asset classes, styles, and vehicles, including innovative environmental, social, and governance (ESG) strategies and products dedicated to advancing sustainable finance. The firm partners with clients in order to understand their unique needs and provide insights and investment solutions tailored to their long-term goals. Headquartered in Paris and Boston, Natixis Investment Managers is part of the Global Financial Services division of Groupe BPCE, the second-largest banking group in France through the Banque Populaire and Caisse d'Épargne retail networks. Additionally, investment solutions are offered through Natixis Investment Managers Solutions and Natixis Advisors, LLC. Not all offerings are 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, LLC, a limited purpose broker-dealer and the distributor of various U.S. 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 (France), and their affiliated distribution and service entities in Europe and Asia.

Deutschland: Natixis Investment Managers S.A., Zweigniederlassung Deutschland (Registration number: HRB 88541). Registered office: Senckenberganlage 21, 60325 Frankfurt am Main.

1 Cerulli Quantitative Update: Global Markets 2021 ranked Natixis Investment Managers as the 15th largest asset manager in the world based on assets under management as of December 31, 2020.

2 Assets under management ("AUM") of current affiliated entities measured as of June 30, 2022 are \$1,156.7 billion (€1,106.7 billion). 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.