

Natixis Investment Managers  
S.A.

Natixis International Funds (Lux) I

Thematics Water Fund

October 2022

***This statement provides you with key information about  
Thematics Water Fund (the “Fund”).  
This statement is a part of the offering documents.  
You should not invest in this product based on this statement alone.***

## Quick Facts

Management Company:	Natixis Investment Managers S.A.		
Investment Manager:	Thematics Asset Management (located in Paris, France; Internal delegation)		
Depository:	Brown Brothers Harriman (Luxembourg) S.C.A.		
Ongoing Charges over a Year#:	Class R/A(USD) Class R/A(EUR) Class R/A(HKD) Class H-R/A(EUR)	Fixed at 2.00% p.a.	
Dealing Frequency (Valuation Frequency):	Each full bank business day in Luxembourg on which the New York Stock Exchange and the NASDAQ are open		
Base Currency (Reference Currency):	U.S. dollar		
Dividend Policy:	Class R/A(USD) Class R/A(EUR) Class R/A(HKD) Class H-R/A(EUR)	No dividend will be declared and paid.	
Financial Year End of this Fund:	December 31		
Minimum Investment:	Class R/A(USD) Class R/A(EUR) Class R/A(HKD) Class H-R/A(EUR)	USD1,000 or equivalent initial; USD1,000 or equivalent initial; USD1,000 or equivalent initial; USD1,000 or equivalent initial;	no min for additional no min for additional no min for additional no min for additional

# The ongoing charges figure represents the sum of all operating expenses accrued by the share class as an annualized percentage of that share class' average NAV for the financial year ended 31 December. This figure may vary from year to year.

## What is this Product?

The Fund is a sub fund of Natixis International Funds (Lux) I (“**the Umbrella Fund**”). It is constituted in the form of a mutual fund, domiciled in Luxembourg and its home regulator is the Commission de Surveillance du Secteur Financier (“CSSF”).

## Objectives and Investment Strategy

### Investment Objective

To contribute globally to the universal provision of clean water, in water pollution prevention and control and more broadly in the global, sustainable use and protection of all water resources while generating long term growth of capital through an investment process systematically including sustainability considerations.

### Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equities of companies around the world that are exposed to the scope of the investment theme (the “**Theme**”) of global water provision and/or municipal waste treatment (hereinafter the “**Investable Universe**”). This includes companies which are engaged in services and technologies primarily in the following areas: water usage efficiency, sustainable water withdrawals, water treatment technologies, advanced water management technologies; hazardous waste management, pollution monitoring; water supply and water delivery infrastructure.

To achieve its sustainable objectives, the Fund employs a combination of multiple strategies across the investment process, including sustainable thematic screening, exclusion, sustainability norms-based assessment, ESG integration, and sustainability principles-based voting and engagement.

In the Define Phase where the thematic boundaries and investable universe are set-out, the Investment Manager adopts sustainable thematic screening and exclusion.

- The Investment Manager selects securities whose solutions contribute to addressing the drivers of the thematic trend identified above. The qualitative and quantitative assessments incorporate third party-data on UN Sustainable Development Goals contributions, EU Taxonomy alignment, as well as the Investment Manager’s internal thematic assessment framework, and other sustainable products or services data. To qualify in the investable universe, a security must meet the materiality based on percentage of the revenue and/or profits generated from the Theme-related products or services, or leadership requirement. Such security must at least generate 20% of the revenue and/or profits from the relevant products or services as of today or in the immediate to short term, or must be, in the opinion of the Investment Manager, a leader in the industry, innovative or with the potential to become disruptive to satisfy the leadership requirement.
- The Investment Manager excludes controversial activities which are deemed to have a significant negative impact on the sustainable investment objective of the Fund during the screening process (such as, but not limited to coal, tobacco and non-conventional weapons).
- In addition, the Investment Manager systematically excludes securities whose behaviour and overall performance are considered non-compliant to the established global sustainability standards and norms governing corporate behaviour, in particular on environmental protection, human rights, labour rights, and business ethics. These standards include the UN Global Compact Principles, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles for Business and Human Rights, and the Internal Labour Convention. The screening is based on third-party data.

In the absence of standardised and coherent ESG analytical framework in the industry, the Investment Manager developed its proprietary risk-based ESG assessment guide and established materiality frameworks based on standards developed by international sustainability reporting organisations, such as but not limited to, Sustainability Accounting Standards Board (SASB) and Global Reporting Initiative (GRI), which identify the most material ESG risks associated with the Fund’s Theme and its investment universe segments. From the investable universe defined in the Define Phase, the Investment Manager then employs ESG Integration in the Select Phase where the final securities are selected.

- The Investment Manager scores individual companies across the 11 different material ESG indicators drawing from a range of resources, including desktop research, company engagement, and ESG risk ratings from at least two third-party rating agencies (e.g., ISS and Sustainalytics). The total ESG score carries an equal weight (25%) as other investment criteria (i.e. Quality, Trading Risk and Management) and will impact the security’s inclusion and final weight of the investment. The review of the ESG criteria permanently covers at least 90% of the Fund’s net assets.

- To further minimise ESG risks, the Investment Manager will cap the position at 2% on a company that has severe to highly severe ESG risks exposure and has been assessed as no sufficient ESG risk management is being implemented. Further, targeted engagement with the company is initiated. The cap for a particular company will be lifted if sufficient performance improvement surrounding the ESG aspect is demonstrated. Investment Manager will dispose the investment if no progress is made and the risks identified become higher.
- The Investment Manager will actively seek companies whose ESG risk rating outperforms (i.e. higher ESG scores) their sub-industry peers based on third-party ESG risk assessment and the Investment Manager's internal ESG score. In order to ensure the effective implementation of the Fund's proprietary ESG Integration approach, the Fund will have a better ESG risk rating than its Investable Universe (measured as the rolling 3 months average of the weekly score), after eliminating at least 20% of the worst ESG-rated securities of the latter, based on external third-party ESG risk scoring.

As part of the Fund's investments in equity securities worldwide, the Fund may invest up to 30% of its total assets in emerging markets companies including, but not limited to, certain eligible A-Shares via the Shanghai-Hong Kong Stock Connect program and/or Shenzhen-Hong Kong Stock Connect program (collectively, the **"Stock Connects"**). The Fund's investment in A-Shares via the Stock Connects is less than 30% of its net assets. Up to one-third of the Fund's assets may be invested in other types of securities other than those described above, such as money market instruments, cash and cash equivalents, which may not be related to water or green or environmental, social and governance or sustainability factors.

The Fund is unconstrained by industry, index, currency, geographical considerations or capitalization size and the Investment Manager aims to invest in companies whose shares are selling below the Investment Manager's estimate of intrinsic value.

Under certain exceptional market conditions (e.g. unanticipated failure of one or more significant global financial institutions, threat of or actual default of a sovereign nation on its debt, natural disaster or terrorist attack), the Fund may, on a temporary basis, invest up to 100% of its assets in cash and cash equivalents, including money market instruments, if the Investment Manager believes that it would be in the best interest (\*) of the Fund and its shareholders.

(\*) within the meaning of protecting the value of the Fund's assets and therefore the shareholders' investments.

The Fund currently has no intention to enter into stock lending, stock repurchase agreements, repurchase transactions, reverse repurchase transactions or other similar over-the-counter transactions.

### **Use of Derivatives / Investment in Derivatives**

The Fund's net derivative exposure may be up to 50% of the Fund's net asset value.

### **What are the Key Risks?**

**Investment involves risks. Please refer to the offering document for details including the risk factors.**

1. **General investment risk:** The Investments of the Fund are subject to normal market fluctuations and other risks inherent in investing in securities, including financial and sustainability-related risks. There can be no assurance that any appreciation in value of Investments will occur. Investments invested by the Fund may fall in value due to any of the key risk factors below and therefore investment in the Fund may suffer losses. There is no guarantee of the repayment of principal.
2. **Sector risk:** The Fund invests primarily in equity securities of companies relating to a specific investment theme. A company's contribution to the relevant investment theme may not necessarily result in an increase in the company's value. Changes in the companies' values could in turn adversely impact the Fund's net asset value. Risks include, but are not limited to, limited markets, higher volatility, small-capitalisation companies and securities changes in business cycles, world economic environment and government regulation.
3. **Water sector risk:** Companies that contribute to the investment theme of global water are active in markets with regulated water tariffs and may suffer from decreasing water tariffs, which would lower the revenues and the returns of listed water operators. Moreover, during budget process, political forces may put priorities on different projects such as household consumption incentives, transportation infrastructure projects, and education. Water infrastructure projects may be given a

lower priority and be delayed. The growth outlook of water technology companies will then be reduced. It may lead to fall in the value of these companies and therefore may have negative impact on the Fund's net asset value.

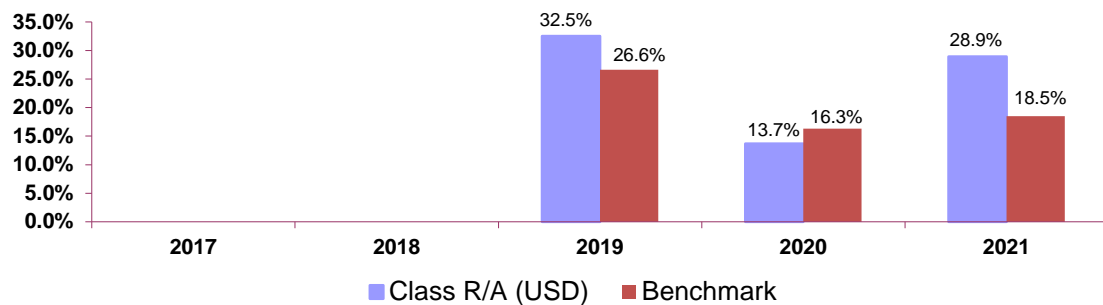
4. **ESG driven investment risks:** There is a lack of standardised taxonomy of ESG evaluation methodology. Sustainable ESG criteria may be generated using the Investment Manager's proprietary models, third party models and data or a combination of both. Shareholders should note that assessment criteria involves the Investment Manager's subjective judgement and may change over time or vary depending on the sector or industry in which the relevant issuer operates. ESG data received from third parties may be incomplete, inaccurate or unavailable from time to time. As a result, there is a risk that the Investment Manager may incorrectly assess a security or issuer, resulting in the incorrect direct or indirect inclusion or exclusion of a security in the portfolio of the Fund.

Applying Sustainable ESG criteria to the investment process may lead the Investment Manager to invest in or exclude securities for non-financial reasons, irrespective of market opportunities available if assessed while disregarding Sustainable ESG criteria. The Investment Manager might need to dispose of such securities when it might be disadvantageous to do so. This may lead to a fall in the Fund's net asset value.

As the Fund is a thematic fund and its investments are sustainability driven, the Fund's investment universe is reduced and may lead to further portfolio concentration risk.

5. **Risks related to equities:** Investments in equities tend to fluctuate more than investments in bonds. The Fund's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors. Additionally, the Fund may hold equities having a value bias. Equities with a value bias may continue to be underpriced by the market for sustained periods of time and may have an adverse impact on the performance of the Fund.
6. **Risks associated with small-capitalisation / mid-capitalisation companies:** The stock of small-capitalisation / mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.
7. **Risks related to portfolio concentration:** The Fund may invest in a limited number of securities with larger fluctuation of investment performance. If such securities perform poorly, the Fund could incur greater losses than if it had invested in a larger number of securities.
8. **Risks related to global investing:** International investing involves certain risks such as currency exchange rate fluctuations, political or regulatory developments, economic instability and lack of information transparency. Securities in one or more markets may also be subject to limited liquidity. These factors may have an adverse impact on the performance of the Fund.
9. **Risks related to emerging market securities:** Investments in emerging market securities involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risk/ control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.
10. **Currency and foreign exchange risks:** Underlying investments of the Fund may be denominated in currencies other than the base currency of the Fund. Also, a share class may be designated in a currency other than the base currency of the Fund or the currency of its underlying investment. The NAV of the Fund may be affected unfavourably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.
11. **Risks related to investment in financial derivative instruments ("FDI"):** In adverse circumstances, the use of FDI may become ineffective in hedging and the Fund may suffer significant losses in relation to use of FDI. These instruments are volatile and may be subject to various types of risks (including but not limited to market risk, liquidity risk, credit risk, counterparty risk, valuation risk, volatility risk, over-the-counter transaction risk, legal and operations risks) which may in some cases increase losses. The leverage element/ component of FDI can result in a loss significantly greater than the amount invested in the FDI by the Fund.

## How has the Fund performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividend reinvested.
- These figures show by how much the share class increased or decreased in value during the calendar year being shown. Performance data has been calculated in U.S. dollar including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- The Fund is not managed relative to a specific reference index. However, for indicative purposes only, the Fund's performance may be compared to the benchmark. The benchmark of the Fund is the Morgan Stanley Capital International All Country World Index. Investors should refer to the Prospectus for further details.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Fund launch date: 20 December 2018
- Class R/A (USD) launch date: 20 December 2018
- The Investment Manager views Class R/A (USD) being the most appropriate representative share class as this is the standard share class denominated in the Fund's base currency which is offered to the public in Hong Kong.

## Is there any Guarantee?

This Fund does not have any guarantees. You may not get back the full amount of money you invest.

## What are the Fees and Charges?

### Charges which may be payable by you

You may have to pay the following fees when dealing in the shares of the Fund.

Fee	What You Pay
Subscription fee (Entry charge)	Up to 4% of NAV
Redemption fee (Exit charge)	Nil
Switching fee	<ul style="list-style-type: none"> <li>No additional charge if switch for shares of another fund within the Umbrella Fund or class of shares having same or a lower subscription fee;</li> <li>Otherwise, subject to a conversion fee equal to the difference in percentage of the subscription fee of the relevant shares.</li> </ul>

### Ongoing fees payable by the Fund

The following expenses will be paid out of the Fund. They affect you because they reduce the return you get on your investments.

Fee	Annual Rate (as a % of the Fund's value)
Management Fee	Up to 1.91% p.a.
Depositary Fee	Up to 0.01% p.a.
Administration Fee	Up to 0.01% p.a.
Performance Fee	N/A

For more information about charges, please refer to chapters "Charges and Expenses" and "Subscription, Transfer, Conversion and Redemption of Shares" of the Prospectus.

### Other fees

You may have to pay other fees when dealing in the shares of the Fund.

## Additional Information

- You generally buy and redeem shares at the Fund's next-determined NAV after the Administrator receives your request in good order on or before 13:30 (Luxembourg time) being the dealing cut-off time.
- Hong Kong Representative / Distributor may impose different dealing deadlines for receiving requests from investors. Investors should therefore pay attention to the arrangements of the entities concerned.
- The NAV of the share classes is calculated on each full bank business day in Luxembourg and may be obtained for the previous dealing day from the registered office of the Umbrella Fund. Such prices of shares are published, for the sub-funds offered in Hong Kong daily on <https://www.im.natixis.com/en-hk>. Please note that the content of the above website has not been reviewed or approved by the SFC.
- Investors may obtain the past performance information of other share classes offered to Hong Kong investors from <https://www.im.natixis.com/en-hk> (in English only).

## Important

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.