Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Thematics Water Fund
Legal entity identifier: 549300Z5CQ07UZVGXX17

Sustainable investment objective

Does this financial product have a sustainable investment objective?

[X] Yes	[ ] No
[ ] It will make a minimum of **sustainable investments with an environmental objective:** 30 %	[ ] It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
[ ] in economic activities that qualify as environmentally sustainable under the EU Taxonomy	[ ] with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
[X] in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	[ ] with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	[ ] with a social objective
[X] It will make a minimum of **sustainable investments with a social objective:** 10 %	[ ] It promotes E/S characteristics, but **will not make any sustainable investments**

What is the sustainable investment objective of this financial product?

The sustainable investment objective of the Fund is to contribute globally to the universal provision of clean water, water pollution prevention and control, and sustainable use and protection of all water resources.

Contribution to the Fund's sustainable investment objective is assessed based on a sustainable thematic screening, as well as on a proprietary ESG assessment which relies, amongst others, on the ESG rating of the securities. In addition, the Fund also applies exclusion criteria including inter alia, activity-based and behaviour based exclusions. Finally, the Fund has internally defined the implementation of an engagement process, which also encompasses the exercising of its voting rights. The combination of the different elements in this screening process allows to identify investment's contribution to the sustainable investment objective.

No reference benchmark has been designated for the purpose of attaining the sustainable investment objectives.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

The Fund plan to report on the following in an annual basis:

- Percentage of Fund's asset under management that contributes to the theme.
- Percentage of the Fund's assets under management of issuers generating more than 5% of revenue from harmful and/or controversial activities
- Percentage of the Fund's assets under management of issuers whose behaviour and overall performance are considered non-compliant to established global sustainability norms and principles governing corporate behaviour
- Percentage of the Fund's assets under management that are subject to ESG analysis by Investment Managers.
- Portfolio's ESG score vs Investable Universe's score (measured as the rolling 3 months average of the weekly score), after eliminating at least 20% of the worst-rated securities of the latter.
- Percentage of the Fund's assets under management of newly invested issuers that has already high and/or severe ESG controversies at the time of investment.
- Number of already invested issuers that becomes exposed to high and/or severe ESG controversies and within a 6 month time frame:
    - are not engaged or,
    - are engaged but do not demonstrate sufficient performance improvement.
- Total percentage of submitted votes.
- Percentage of submitted votes according to the sustainability-principled policy.
- Percentage of invested issuers covered by targetted engagement.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

In order to ensure that the sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social investment objective, the Fund takes into account the indicators for adverse impacts and ensures that the Fund investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights as further outlined below. Controversies monitoring is also in place.

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

The Investment Manager considers the EU SFDR's PAIs at different stages of its investment process through its 4 sustainability approaches: exclusion, norms-based assessment, ESG integration, voting and engagement.- We exclude companies with the following PAIs: generates more than 5% of revenue from fossil fuels (PAI 4); in violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (PAI 10); those with exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) (PAI 14); and companies in the energy sector whose GHG intensity are not aligned with the Paris Agreement. -

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

In our behaviour/norms-based exclusion, the following PAIs are considered: we exclude companies which lack processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises; and Activities negatively affecting biodiversity sensitive area (PAI 7). - In our ESG integration, where we score companies across material ESG indicators, the following PAIs are considered: GHG emissions (PAI 1); Carbon footprint (PAI 2) and GHG intensity of investee companies (PAI 3);; Share of non-renewable energy consumption and production (PAI 5); Energy consumption intensity per high impact climate sector (PAI 6); Activities negatively affecting biodiversity sensitive areas (PAI 7); Emissions to water (PAI 8); Hazardous waste and radioactive waste ratio (PAI 9); Unadjusted gender pay-gap (PAI 12) and Board gender diversity (PAI 13);- Post investment, we vote based sustainability principles and target companies for formal engagement, including those who lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises (PAI 11), and companies which lack disclosures and governance on GHG emissions and intensity; Carbon footprint; and unadjusted gender pay-gap.More information on the consideration of principal adverse impacts on sustainability will can be found in the annual report.

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

We exclude companies in violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises; we also exclude companies which lack processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises.

Does this financial product consider principal adverse impacts on sustainability factors?

X Yes

The Investment Manager considers the EU SFDR's PAIs at different stages of its investment process through its 4 sustainability approaches: exclusion, norms-based assessment, ESG integration, voting and engagement.

- We exclude companies with the following PAIs: those with exposure to controversial weapons; generates more than 5% of revenue from fossil fuels; in violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises; and companies in the energy sector whose GHG intensity are not aligned with the Paris Agreement.
- In our behaviour/norms-based exclusion, the following PAIs are considered: we exclude companies which lack processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises; and Activities negatively affecting biodiversity sensitive area.
- In our ESG integration, where we score companies across material ESG indicators, the following PAIs are considered: GHG emissions and intensity; Carbon footprint; Energy consumption intensity per high impact climate sector; Activities negatively affecting biodiversity sensitive areas; Emissions to water; Hazardous waste ratio; Board gender diversity; Share of non-renewable energy consumption and production; and unadjusted gender pay-gap
- Post investment, we vote based sustainability principles and target companies for formal engagement, including those who lack of processes

and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises,

- and companies which lack disclosures and governance on GHG emissions and intensity; Carbon footprint; and unadjusted gender pay-gap.

More information on the consideration of principal adverse impacts on sustainability will can be found in the annual report.

☐ No

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

Among the Environmental, Social and Governance (ESG) criteria considered:

- Environmental criteria: climate change resiliency of the company, management of effluents and waste, environmental impact of its products and services.
- Social criteria: company and supplier's health and safety records, its labour practices, its product social responsibility as well as data privacy management.
- Governance criteria: board quality, review company's executive compensation, shareholder rights as well as business ethics.

The ESG risk assessment remains subjective and dependent on the quality of the available information, in particular due to a lack of a standardized global methodology on ESG reporting.

1. Sustainable thematic screening

The Investment Managers select securities whose solutions both:

- contribute to the theme via the theme's sub-segments that in turn contribute to 1 or more of the following sustainability targets: water usage efficiency, sustainable water withdrawals, water treatment technologies, advanced water management technologies; hazardous waste management, pollution monitoring; water supply and water delivery infrastructure.
- meet the materiality or leadership requirement of the theme.
    - Materiality means: the issuer must at least generate 20% of the revenue and/or profits from the relevant products.
    - Leadership requirements: the issuer's products must be, in the opinion of the Investment Managers, leader in the industry, innovative or with the potential to become disruptive.

2. Activity-based exclusion

The Investment Manager further screens the Investable Universe by excluding securities that have exposure to harmful and controversial activities, such as coal, conventional oil and gas, non-conventional weapons etc. For more information, please refer to our exclusion policy under: https://www.thematics-am.com/en-FR/being-responsible/reports-and-publications.

3. Behaviour-based exclusion

In addition, the Investment Managers systematically exclude securities whose behaviour and overall performance are considered non-compliant to established global sustainability norms and principles 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 International Labour Conventions. The screening is informed by third-party data.

4. In the final portfolio construction phase, the Investment Managers carry out an ESG analyses using its proprietary ESG assessment guided by established materiality frameworks, such as but not limited to, Sustainability Accounting Standards Board (SASB) and Global Reporting Initiative (GRI). The Investment Managers score individual companies across the 11 different material environmental, social, and governance indicators drawing from a range of resources, including desktop research, company engagement from at least two third-party rating agencies (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.

5. In order to measure the effectiveness of the ESG approach implemented, the Investment Manager ensures that the Fund will have a better ESG rating than its Investable Universe (measured as the rolling 3 months average of the weekly score), after eliminating at least 20% of the worst-rated securities of the latter, based on external third-party ESG risk scoring. The coverage must be above 90%.

6. Companies exposed to high and/or severe level controversies are excluded. If the company is already in the portfolio and becomes exposed to high and/or severe ESG controversies, the Investment Managers will cap the position at 2% The total volume of capped securities cannot be more than 5. Further, targeted engagement with the company is initiated. The cap will be lifted if sufficient performance improvement is demonstrated within 6 months. Investment Managers will exit the investment if not enough progress is made.

7. The Investment Manager intends to exercise 100% of the voting rights on the issuers of the securities held in the portfolios managed, and in compliance with its sustainability principled-based voting policy.

8. The Investment Manager intends to engage with a certain percentage of issuers each year.

What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

1. Percentage of Fund's asset under management that contributes to the theme and meet the materiality or leadership criteria is 100% excluding cash.
2. Percentage of the Fund's assets under management of issuers generating more than 5% of revenue from harmful and/or controversial activities is 0%
3. Percentage of the Fund's assets under management of issuers whose behaviour and overall performance are considered non-compliant to

established global sustainability norms and principles governing corporate behaviour is 0%

4. Percentage of the Fund's assets under management that are subject to ESG analysis by Investment Managers is 100%.

5. Portfolio ESG score's outperforms the ESG score of the Investable Universe (measured as the rolling 3 months average of the weekly score), after eliminating at least 20% of the worst-rated securities of the latter, based on external third-party ESG risk scoring.

Good governance practices include sound management structures, employee relations, remuneration of staff ad tax compliance.

6. 1. Percentage of the Fund's assets under management of newly invested issuers that has already high and/or severe ESG controversies at the time of investment is 0%

   2. Number of already invested issuers that becomes exposed to high and/or severe ESG controversies and are capped to 2% is maximum 5.

   3. Number of already invested issuers that becomes exposed to high and/or severe ESG controversies and, within a 6 month time frame:

      - are not engaged or,
      - are engaged but do not demonstrate sufficient performance improvement,

      is 0.

7. 1. Total percentage of submitted votes is at least 95%.

   2. Percentage of submitted votes according to the sustainability-principled policy is at least 95%.

8. Percentage of invested issuers covered by targetted engagement is at least 5%.

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

Good governance is promoted across the investment process through the following: behaviour-based exclusion, which is an assessment of company's governance and performance on various governance indicators; ESG assessment, which include material governance indicators such as board quality, business ethics, remuneration and shareholder protection; and voting and engagement on targeted governance issues, including sustainability management and transparency.

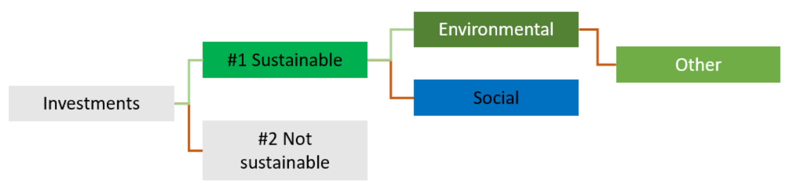
Asset allocation describes the share of investments in specific assets.

What is the asset allocation and the minimum share of sustainable investments?

The Fund commits to invest 90% of its NAV in sustainable investments (#1 Sustainable).

The Fund is expected to invest at least 30% of its NAV in environmental sustainable investments and 10% of its NAV in social sustainable investments, of which at least 0% are taxonomy-aligned;

The Fund is expected to invest up to 10% of in NAV in investments which do not qualify as sustainable investments (#2 Other).



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments

How does the use of derivatives attain the sustainable investment objective?

Not applicable

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to

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

Not applicable.

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.

1.Taxonomy-alignment of investments **including sovereign bonds***

2.Taxonomy-alignment of investments **excluding sovereign bonds***

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

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available ad among others have greenhouse gas emission levels corresponding to the best performance.

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

Not applicable.

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

The Fund commits to make a minimum 30% of environmentally sustainable investments aligned with SFDR. These investments could be aligned with the EU Taxonomy, but the Investment Manager is not currently in a position to specify the exact proportion of the Fund's underlying investments which take into account the EU criteria for environmentally sustainable economic activities. However, the position will be kept under review as the underlying rules are finalised and the availability of reliable data increases over time.

are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with a social objective?

The minimum share of socially sustainable investments is 10%.

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

Cash investment for liquidity purposes. This investment does not follow any minimum environmental or social safeguards.

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

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- ***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

Where can I find more product specific information online?

More product-specific information can be found on the website:
https://www.im.natixis.com/intl/sfdr-documentation-nimsa-en