# CANDRIAM SUSTAINABLE

An undertaking for collective investment
organized under the laws of the Grand Duchy of Luxembourg as a SICAV

# PROSPECTUS

Subscriptions may only be accepted if made on the basis of this prospectus (hereafter the "Prospectus"),
which is only valid if accompanied by the last available annual report and the
last semi-annual report if published after the last annual report.
These documents are an integral part of the Prospectus.

1st December 2022

## INTRODUCTION

CANDRIAM SUSTAINABLE (hereinafter the "SICAV" or the “Fund”) is registered on the official list of UCI (as defined hereinafter) pursuant to Part I of the Law of 2010 (as defined hereinafter) and qualifies as an UCITS (as defined hereinafter).
The SICAV meets the conditions set down in part I of the Law of 2010 and Directive 2009/65/EC, as amended (as defined hereinafter).

Certain Sub-Funds, as disclosed in the Fact Sheets (as defined hereinafter), qualify as MMF (as defined hereinafter) and have been approved by the CSSF (as defined hereinafter) in accordance with the provisions of the MMFR (as defined hereinafter) and are registered on the official list of UCI as MMF.

Such registration may not be interpreted as a positive appraisal by the supervisory authority as to the content of the present prospectus (hereinafter the “Prospectus”) or the quality of the securities offered or held by the SICAV. Any affirmation to the contrary is unauthorized and illegal.

This Prospectus cannot be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is not authorized.

Shares in this SICAV are not and will not be registered in the United States in accordance with the US Securities Act of 1933, as amended (hereinafter the “1933 Securities Act”) and the SICAV is not and will not be registered under the U.S. Investment Company Act of 1940, as amended (the “1940 Act”).
The shares in the SICAV must not be offered, sold or transferred in the United States (including its territories and possessions) or directly or indirectly benefit any US Person (as defined in Regulation S of the 1933 Securities Act and Rule 4.7 under the U.S. Commodity Exchange Act). However, notwithstanding the foregoing, the SICAV reserves the right to make a private placement of its shares to a limited number of U.S. Persons, to the extent permitted under applicable U.S. law.
In addition, financial institutions which do not comply with the FATCA program (FATCA stands for the US Foreign Account Tax Compliance Act), as included in the Hiring Incentives to Restore Employment Act (hereinafter the “HIRE Act”), and its application measures, including the identical provisions adopted by partner countries which have signed an “Intergovernmental Agreement” with the United States, must expect to be forced to have their shares redeemed when the program is put in place.

The shares in the SICAV may not be offered, sold or transferred to a U.S. employee benefit plan subject to the U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”) or any other U.S. employee benefit plan or U.S. individual retirement account or arrangement (“IRA”) and may not be offered sold or transferred to a fiduciary or any other person or entity acting on behalf of the assets of a U.S. employee benefit plan or IRA (collectively, a “U.S. benefit plan investor”). Subscribers for shares in the SICAV may be required to certify in writing that they are not a U.S. benefit plan investor. Shareholders are required to notify the SICAV immediately in the event that they are or become a U.S. benefit plan investor and will be required to dispose of their shares to non-U.S. benefit plan investors. The SICAV reserves the right to repurchase any shares which are or become owned, directly or indirectly, by a U.S. benefit plan investor. However, notwithstanding the foregoing, the SICAV reserves the right to make a private placement of its shares to a limited number of U.S. benefit plan investors, to the extent permitted under applicable U.S. law.

The Board of Directors of the SICAV has taken reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts, the omission of which would make any statement contained herein misleading. The Board of Directors accepts responsibility accordingly.

The Prospectus may be translated into other languages provided that such translation shall be a direct translation of the English text and, in the event of a dispute, the English language version shall prevail. All disputes as to the terms thereof shall be governed by, and construed in accordance with the laws of the Grand Duchy of Luxembourg.

No person is authorized to give any information other than that contained in the Prospectus or in the documents referred to herein, which may be consulted by the general public.

This Prospectus will be updated in appropriate time in order to reflect significant changes. It is therefore recommended that potential subscribers contact the SICAV to enquire whether any updated Prospectus has been published.

Subscribers and potential investors are advised to seek advice on the possible tax consequences, the legal requirements and any restriction or exchange control provision under the laws of their countries of origin, residence or domicile, which could have an influence on the subscription, purchase, ownership or sale of the shares of the SICAV.

In accordance with the provisions of the Luxembourg law on the protection of persons with regard to the processing of personal data, and all applicable local laws and regulations, in each case, as amended, revised or replaced (including by operation of EU Regulation 2016/679) (the "GDPR"), the Management Company, as data controller, collects, stores and processes, by electronic or other means, the personal data of investors for the purpose of fulfilling the services required by the investors and complying with its legal and regulatory obligations. The personal data processed by the Management Company includes, in particular, the name, contact details (including postal or email address), TIN, banking details, invested amount and holdings in the Fund of investors (“Personal Data”). The investor may at his/her discretion refuse to communicate Personal Data to the Management Company. In this case, however, the Management Company may reject a request for Shares. Each investor has a right to: (i) access his/her Personal Data (including in certain cases in a commonly used, machine readable format); (ii) to have their Personal Data rectified (where it is inaccurate or incomplete), (iii) to have their Personal Data erased where the Management Company/or the Fund no longer has any legitimate reasons to process it; ; (iv) to have their Personal Data restricted; (v) to object to the processing of their Personal Data by the Management Company in certain circumstances; and (vi) to lodge a complaint with the applicable supervisory authority, by writing to the Management Company at its registered office. Personal Data is processed, in particular, for the purposes of processing subscriptions, redemptions and conversions of Shares and payments of dividends to investors, account administration, client relationship management, performing controls on excessive trading and market timing practices, tax identification as may be required under Luxembourg or foreign laws and regulations (including laws and regulations relating to FATCA or CRS) and compliance with applicable anti-money laundering rules. Personal Data supplied by shareholders is also processed for the purpose of maintaining the register of shareholders of the Fund. In addition, Personal Data may be processed for the purposes of marketing. Each investor has the right to object to the use of its Personal Data for marketing purposes by writing to the Fund. The Management Company may ask investors for their consent to collect or process his/ her Personal Data on certain occasions, for example, for the purposes of marketing. The Investors can withdraw this consent at any time. The Management Company also processes investors' Personal Data where necessary to fulfil its contract with the investor, or when required by law, such as if the Fund receives a request from law enforcement or other government officials. The Management Company also processes investors' Personal Data when it is in the Management Company’s or Fund's legitimate interests to do this and when these interests are not overridden by investors' data protection rights. For example, the Fund has a legitimate interest in ensuring the effective operation of the Fund. Personal Data may be transferred to affiliates and third-party entities supporting the activities of the Fund which include, in particular, the Management Company Administrator, Custodian, Transfer agent and Distributors that are located in the European Union. Personal Data may also be transferred to entities which are located in countries outside of the European Union and whose data protection laws may not offer an adequate level of protection. In subscribing for Shares, each investor expressly consents and agrees to the transfer and processing of his/her Personal Data to the entities referred to above, including entities located outside the European Union and in particular in countries which may not offer an adequate level of protection. The Management Company or the Fund may also transfer Personal Data to third-parties such as governmental or regulatory agencies, including tax authorities, in or outside the European Union, in accordance with applicable laws and regulations. In particular, such Personal Data may be disclosed to the Luxembourg tax authorities, which in turn may acting as data controller, disclose the same to foreign tax authorities. Investors can request further information about how the Fund ensures that transfers of Personal Data comply with the GDPR by contacting the Fund at the registered office of the Management Company. Personal Data will not be retained for a period longer than necessary for the purpose of the data processing, subject to applicable legal minimum retention periods.

The SICAV draws the attention of investors to the fact that no investor may fully and directly exercise his/her rights as investor vis-à-vis the SICAV (particularly the right to take part in the general meetings of shareholders) unless this investor is listed, in his/her own name, in the register of shareholders of the SICAV. In the event that the investor invests in the SICAV through an intermediary, which invests in the SICAV in its own name but on behalf of the investor, shareholder rights may not necessarily be exercised by the investor directly in relation to the SICAV. Investors are recommended to obtain information on their rights.

**Specific disclosure for Sub-Funds qualifying as MMF:** The concerned Sub-Funds are not a guaranteed investment. Please be aware that an investment in such fund is different from an investment in deposits and that the investment's principal is capable of fluctuation. The concerned Sub-Funds do not rely on external support for guaranteeing their liquidity or stabilizing their NAV per share. The risk of loss of the principal is borne by the investor.

# Contents

## Glossary

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| Articles | The articles of incorporation of the SICAV as amended from time to time. |
| Business Day | Any full banking business day in Luxembourg. For the avoidance of doubt, December 24 is not to be considered as a Business Day. |
| Calculation Date | Any Business Day on which the net asset value of the Valuation Date is determined and as detailed in the Fact Sheets. |
| Carbon Emissions | Carbon dioxide (CO2) is the most common greenhouse gas (GHG) emitted by human activities, in terms of the quantity released and the total impact on global warming. As a result the term “CO2” is sometimes used as a shorthand expression for all greenhouse gases.<br><br>Companies’ carbon emissions are measured in tons of carbon dioxide equivalent (tCO2-eq) which allows to bundle the various greenhouse gas emissions in a single number. For any quantity and type of greenhouse gas, CO2-eq signifies the amount of CO2 which would have the equivalent global warming impact.<br><br>The measurement of carbon emissions of a company can be made by distinguishing three subsets (Scopes”) as defined by the international GHG Protocol:<br>• Scope 1: emissions are direct emissions from owned or controlled sources<br>• Scope 2: emissions are indirect emissions from the generation of purchased energy<br>• Scope 3: emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions. |
| CHF | Refers to the currency of Switzerland. |
| Commission Delegated Regulation (EU) 2015/61 | The Commission delegated regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for Credit Institutions. |
| CSSF | The Commission de Surveillance du Secteur Financier which is the regulatory and supervisory authority of the Fund in Luxembourg. |
| Directive 2004/39/EC | The Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC. |
| Directive (EU) 2015/849 | The Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC. |
| Directive 2009/65/EC | The Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS). |
| Directive 2013/34/EU | The Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements |

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| | and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC. |
| €STR | The euro short-term rate (€STR) reflects the wholesale euro unsecured overnight borrowing costs of banks located in the euro area. |
| ESG | Stands for Environmental, Social and Governance and refers to three groups of indicators used to measure the level of sustainability and societal impact of an investment. |
| ESG score | The ESG score is the result of Candriam's proprietary internal ESG analysis.<br><br>This score is calculated for companies as well as countries and also allows the calculation of an ESG score at portfolio level. The ESG score of a portfolio is calculated by adding up the scores of the securities in the portfolio according to their weighting in the portfolio's assets.<br><br>For companies, Candriam's proprietary ESG analysis is done from two distinct but related angles: analysis of the impacts of business activities (products and services) and management of companies' key stakeholders.<br><br>For countries, it incorporates the 4 essential dimensions of sustainability: human capital, natural capital, social capital and economic capital.<br><br>The score ranges from 0 (worst rating) to 100 (best rating).<br><br>The details of Candriam's ESG analysis methodology are available in the transparency code on Candriam's website : https://www.candriam.com/en/private/market-insights/sri-publications/#transparency |
| EU | Refers to the European Union. |
| EUR | Refers to the official single European currency adopted by a number of EU Member States participating in the Economic and Monetary Union. |
| Fact Sheet | The fact sheet of a Sub-Fund of the SICAV detailing the characteristics of each Sub-Fund. |
| Fund | CANDRIAM SUSTAINABLE |
| G20 | Refers to the group of 20 which is composed of 19 countries and of the EU. |
| Green Bonds | A green bond is a fixed-income instrument designed specifically to support specific climate-related or environmental projects. |
| GBP | Refers to the currency of the United Kingdom. |
| Internal Credit Quality Assessment Policy | The internal credit quality assessment policy of the Management Company meeting the requirements of articles 19 to 23 of the MMFR and as described under section 3.2.3 of this Prospectus. |
| JPY | Refers to the currency of Japan. |
| Law of 2010 | The Luxembourg law of 17 December 2010 on undertakings for collective investment. |
| Management Company | Candriam |
| Member State | Refers to a Member State of the European Union. States that are party to the Agreement on the European Economic Area, other than the Member States of the European Union, are treated as equivalent to Member States of the |

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| | European Union, within the limits defined by said Agreement and its associated instruments. |
| MMF | A UCI or one of its Sub-Funds which qualify as a money market fund under the MMFR. |
| MMFR | The Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds. |
| Money Market Instrument | Means money market instruments as defined in article 2(1)(o) of Directive 2009/65/EC, and instruments as referred to in article 3 of Commission Directive 2007/16/EC. |
| NDC | Nationally Determined Contributions embody the efforts by each country to reduce national emissions and adapt to the impacts of climate change and so implement the Paris Agreement. |
| OECD | Refers to the organization for economic cooperation and development. |
| Paris Agreement | The Paris Agreement is a legally binding international treaty on climate change. Its goal is to limit global warming to well below 2 degrees Celsius. This binding agreement brings all nations into a common cause to undertake ambitious efforts to combat climate change. To achieve this long-term goal, countries commit to reduce their Greenhouse Gas emissions. |
| Paris Equity Check | Is a peer-reviewed assessment of the ambition of countries' climate pledges (NDCs). It evaluates what is a faire & ambitious contribution to achieving the Paris Agreement for a country. |
| Portfolio Carbon Metrics | There are several Carbon metrics at the level of an investment portfolio such as Total Carbon emissions and Carbon footprint as defined below:<br>(1) Total Carbon Emissions: measures the total GHG emissions of a portfolio in the most literal sense by summing all the GHG emissions of the underlying holdings, proportional to the share of ownership. The dependence of this measure to a portfolio's specific size makes this metric of limited usefulness for benchmarking and comparison purposes. This metric may be used to evaluate the emissions in the case of a carbon offsetting mechanism<br>(2) Carbon Footprint (Normalized Carbon Emissions) : measures the asset weighted GHG emissions of a portfolio normalized per million € invested (expressed in tCO2-eq / €m invested). This metric may be used for benchmarking and comparison purposes. The Carbon Footprint may be calculated using another appropriate currency.<br>The Carbon metrics at portfolio level might be considered incomplete insofar as for example<br>(i) issuer coverage from data providers may be incomplete<br>(ii) metrics may not take into account Scope 3 or all the aspects of Scope 3 and<br>(iii) the exposure on money market instruments and index derivatives is in general not taken into account in the calculation.<br>For the scope taken into account as well as the methodology relating to the carbon footprint please refer to the transparency code on Candriam's website : https://www.candriam.com/en/private/market-insights/sri-publications/#transparency |
| Portfolio Temperature | The temperature of a portfolio is based on a methodology assessing a portfolio's alignment with a specific climate scenario. The methodology uses available data on companies' greenhouse gas emissions as well as avoided emissions and combines this data and a forward-looking assessment of companies' alignment with sector specific carbon reduction objectives. |

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| Regulation 2017/2402 | The Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012. |
| Regulation 575/2013 | The Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012. |
| Regulation (EU) 2019/2088 | The Regulation (EU) No 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability disclosure in the financial services sector. |
| REITS | Means Real Estate Investment Trust which is an exchange-traded entity that manage and/or owns real estate. A REIT invests the majority of its assets in the development and management of properties including, but not limited to, real estate in the residential (apartment buildings), industrial (warehouses) and commercial (offices, retails centers, data centers) sectors. Investment in REIT is subject to risks associated with the direct ownership of real estate.<br>REITS that are companies whose shares are listed on a regulated market and closed-ended REITS whose units are listed on a regulated market, are classified as transferable securities listed on a regulated market thereby qualifying as eligible investments for a UCITS under Luxembourg Law. |
| SEK | Refers to the currency of Sweden. |
| SFDR Regulation | The Regulation (EU) No 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector. |
| Share Class | A share class of s Sub-Fund of the SICAV. |
| Short-Term MMF | Means an MMF that invests in eligible Money Market Instruments referred to in article 10(1) of the MMFR and is subject to the portfolio rules set out in article 24 of the MMFR. |
| SICAV | CANDRIAM SUSTAINABLE |
| SRI | Refers to Sustainable and Responsible Investment. |
| Standard MMF | Means an MMF that invests in eligible Money Market Instruments referred to in article 10(1) and (2) of the MMFR and is subject to the portfolio rules set out in article 25 of the MMFR. |
| Subordinated | Means subordinated bonds that are debt instruments which are junior to other non-subordinated debts (senior) in relation to repayment. In case of insolvency of the issuer, such subordinated bonds are repayable after repayment of senior debts. Some of these subordinated bonds are perpetual bonds (no maturity). As the chance of receiving any repayment on insolvency is reduced, subordinated debt represent a greater risk but will generally offer a higher return than senior debts issued by the same issuer. For banks, in some jurisdictions, senior instruments may be either senior preferred or senior non-preferred instruments. In case of resolution or insolvency of the issuer, such subordinated bonds are repayable after repayment of senior debts. Some of these subordinated bonds are perpetual bonds (no maturity). As the chance of receiving any repayment on insolvency is reduced, subordinated bonds represent a greater risk but will generally offer a higher return than senior debts issued by the same issuer are rated BBB-/Baa3 (or equivalent) at least by one of the independent rating agency or considered of comparable quality by the Management Company (notably when issue rating is missing). |

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| Taxonomy Regulation | EU's Regulation 2020/852 on the establishment of a framework to facilitate sustainable investment. |
| UN Global Compact | Means the United Nations Global Compact (www.unglobalcompact.org). It is a shared framework, recognized worldwide and applicable to all industry sectors. It relies on international conventions in the areas of human rights, labour standards, environmental stewardship and anti-corruption. |
| U.S. Person | Has the same meaning as defined in Regulation S under the 1933 Securities Act. |
| UCI | Undertaking for collective investment. |
| UCITS | Undertaking for collective investment in transferable securities. |
| US | Refers to the United States of America. |
| USD | Refers to the currency of the United States of America. |
| Valuation Date | Any Business Day on which the net asset value is dated and as specified in the Fact Sheets. The Management Company may consider certain days as not being a Valuation Date if the related banks, stock exchanges and/or regulated markets (i.e. the markets in which the Sub-Fund is mainly invested), as determined by the Management Company for each Sub-Fund, are closed for trading and/or settlement. A list of the days that are not considered as a Valuation Date for the various Sub-Funds is available on the website www.candriam.com. |
| VNAV | A variable net asset value per share which is not stable, in principle fluctuates daily and which is calculated in accordance with article 30 of the MMFR and rounded to the nearest basis point or its equivalent. |
| WAL | 'Weighted average life' means the average length of time to legal maturity of all of the underlying assets in the MMF reflecting the relative holdings in each asset. |
| WAM | 'Weighted average maturity' means the average length of time to legal maturity or, if shorter, to the next interest rate reset to a money market rate, of all of the underlying assets in the MMF reflecting the relative holdings in each asset. |

# 1. Managing and administrative bodies for the SICAV

**Board of Directors of the SICAV**

- Chairman of the Board of Directors of the SICAV: Ms. Isabelle **Cabie**, Global Head of Corporate Sustainability, Candriam – Belgian Branch
- Members of the Board of Directors of the SICAV:
  - Ms. Annemarie **Arens**, Independent Director
  - Mr. Thierry **Blondeau**, Independent Director
  - Mr. Tanguy **de Villenfagne**, Global Head of Risk Management, Member of the Group Strategic Committee, Candriam – Belgian Branch
  - Ms. Nadège **Dufosse**, Head of Asset Allocation, Candriam
  - Mr. Renato **Guerriero**, Global Head of European Client Relations, Member of the Group Strategic Committee, Candriam - Succursale Italiana
  - Mr. Koen **Van De Maele**, Global Head of Investment Solutions, Candriam – Belgian Branch

**Registered Office:** 5, Allée Scheffer, L-2520 Luxembourg

**Depositary and Principal Paying Agent:** CACEIS Bank, Luxembourg Branch 5, Allée Scheffer, L-2520 Luxembourg

**Management Company:** Candriam, SERENITY – Bloc B, 19-21, route d'Arlon, L - 8009 Strassen

- Chairman of the Board of Directors of the Management Company: Ms. Yie-Hsin Hung, Chairman and Chief Executive Officer, New York Life Investment Management Holdings LLC, Senior Vice President, New York Life Insurance Company
- Members of the Board of Directors of the Management Company:
  - Mr. Frank **Harte**, Senior Managing Director & Chief Financial Officer & Treasurer, New York Life Investment Management Holdings LLC, Senior Vice President, New York Life Insurance Company
  - Mr. Naïm **Abou-Jaoudé**, Chief Executive Officer, Candriam
  - Mr. Jean-Yves **Maldague**, Managing Director, Candriam
  - Mr. Anthony **Malloy**, Executive Vice President & Chief Investment Officer, New York Life Insurance Company and Chief Executive Officer, NYL Investors LLC
  - Ms. Karen **Niessink**, Managing Director & Chief Administrative Officer, New York Life Investment Management LLC
  - Mr. Vincent **Hamelink**, Director, Candriam – Belgian Branch
- Chairman of the Board of Management: Mr. Jean-Yves Maldague, Managing Director, Candriam
- Members of the Board of Management:
  - Mr. Fabrice Cuchet, Director
  - Mr.Tanguy De Villenfagne, Director
  - Mr. Renato Guerriero, Director
  - Mr. Vincent Hamelink, Director
  - Mr. Alain Peters, Director

**Portfolio Managers:**

The portfolio management function is performed directly by Candriam and/or by one or more of its branches:

- Candriam – Belgian Branch, Avenue des Arts 58, B-1000 Bruxelles, Belgium
- Candriam - Succursale française, 40 rue Washington, F-75408 Paris Cedex 08
- Candriam - UK Establishment, Aldersgate Street 200, London EC1A 4 HD

**Administrative Agent and Domiciliary Agent:** CACEIS Bank, Luxembourg Branch 5, Allée Scheffer, L-2520 Luxembourg

**Transfer Agent and Registrar:** CACEIS Bank, Luxembourg Branch 5, Allée Scheffer, L-2520 Luxembourg

**Certified Auditors:** PricewaterhouseCoopers, 2 rue Gerhard Mercator, BP1443, L – 1014 Luxembourg

## 2. General description of the SICAV

CANDRIAM SUSTAINABLE is incorporated under Luxembourg law as a public limited company ("*société anonyme*") qualifying as an investment company organized with variable share capital within the meaning of the Law of 2010.

The SICAV was incorporated on 21 December 2015 by way of a deed of Me Henri Hellinckx, notary residing in Luxembourg, published in the *Mémorial C, Recueil des Sociétés et Associations* (the "Mémorial") on 22 January 2016 and is established for an indefinite period of time from the date of incorporation. The SICAV is registered at the Luxembourg Trade and Companies Register under reference B-202950.
The Articles of Incorporation were last amended on 1st July 2022 and the corresponding amendments have been published in the *Recueil Electronique des Sociétés et Associations* ("RESA"). The coordinated Articles of Incorporation have been filed with the Luxembourg Trade and Companies Registry.

The capital of the SICAV shall at all times be equal to the value of the net assets of the SICAV. The minimum capital of the SICAV is the legal minimum provided by law (i.e. EUR 1,250,000) represented by fully paid-up Shares of no par value.

The SICAV is an umbrella fund, enabling investors to choose between one or more investment strategies by investing in one or more separate Sub-Funds offered by the SICAV with the possibility of moving from one Sub-Fund to another.

The SICAV is open-ended, which means that, upon their request, shareholders can redeem their shares at prices based on the applicable net asset value as described in the Prospectus.

The following Sub-Funds are currently available to investors:

- Balanced Asset Allocation
- Bond Emerging Markets
- Bond Euro
- Bond Euro Corporate
- Bond Euro Short Term
- Bond Global
- Bond Global Convertible
- Bond Global High Yield
- Bond Impact
- Defensive Asset Allocation
- Equity Children
- Equity Circular Economy
- Equity Climate Action
- Equity Emerging Markets
- Equity EMU
- Equity Europe
- Equity Europe Small & Mid Caps
- Equity Future Mobility
- Equity Japan
- Equity Quant Europe
- Equity US
- Equity World
- Money Market Euro, qualifying as MMF pursuant to the MMFR

The Board of Directors may decide to issue shares in different classes, the assets of which will be commonly invested as per the investment policy specific to the Sub-Fund in question. It may create

Share Classes from time to time which may have different terms and characteristics such as a specific cost structure, distribution policy, hedging policy, reference currency, category of investors, marketing country or other specific features.

Furthermore, a currency hedging process may be applied to the Share Classes as specified in the Fact Sheets of the Sub-Funds:

- Base currency hedged Share Classes:

  These hedged Share Classes aim to reduce the effect of exchange rate fluctuations between the base currency of the Sub-Fund and the currency in which the hedged Share Class is denominated.
  The aim of this type of hedging is for the performance of the hedged Share Class to be reasonably comparable (after adjusting for the difference in interest rates between the two currencies) to the performance of a Share Class denominated in the Sub-Fund's base currency. This type of hedging is identified with the suffix H added in the denomination of the Share Class.

- Asset hedged Share Classes:

  These hedged Share Classes aim to reduce the effect of exchange rate fluctuations between the currencies in which a Sub-Fund's investments are held and the currency of the hedged Share Class. This type of hedging is identified with the suffix AH added in the denomination of the Share Class.

Both Share Classes types aim to mitigate currency risk however this will result in differences in performance between these hedged Share Classes and Share Classes denominated in the Sub-Funds base currency.
Investors should be aware that any currency hedging process may not lead to a complete hedge. Therefore, the currency hedge may not fully mitigate the currency risk.

All gains/losses arising from the hedging process are borne separately by the shareholders of the respective hedged Share Classes.

The Share Classes described below may be available as capitalization shares and/or as distribution shares, as detailed in the Fact Sheets:

- The **BF** class is reserved for feeder UCIs under Belgian law approved by the Management Company and managed by an entity of the Candriam group.

- The **C** Share Class is available to both individuals and legal entities.

- The **I** Share Class is reserved exclusively for institutional investors.

- The **N** Share Class is reserved for distributors specially approved by the Management Company.

- The **P** class is reserved (i) for pension funds and/or similar investment vehicles, created on the initiative of one or more employers for the benefit of their employees and (ii) companies with one or more employers investing funds which they hold to provide pensions for their employees. The minimum initial subscription is EUR 15,000,000.

- The **PI** Share Class is reserved to institutional investors that subscribe to shares before the Sub-Fund has reached a critical size in terms of assets under management.
  The minimum initial subscription is USD 1,000,000 or the equivalent in currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same Valuation Date.

The Share Class remains open to subscriptions until any of the following events occurs:

(i) a certain period of time set by the Board of Directors has elapsed,

(ii) the Sub-Fund has reached a critical size in terms of assets under management as determined by the Board of Directors or

(iii) the Board of Directors decides on a motivated basis to cease the offering of the Share Class.

The Board of Directors may re-open the PI Share Classes at its discretion without prior notice to Shareholders

- The **R** Share Class is restricted to those financial intermediaries (including distributors and platform providers) which:

  (i) have separated arrangements with their clients for the provision of investment services related to the Sub-Fund, AND

  (ii) are not entitled to accept and retain from the Management Company, due to their applicable laws and regulations, or to agreements with their clients, any fee, commission or monetary benefit, in the context of the above-mentioned investment services.

- The **R2** Share Class is reserved for:

  - Distributors and/or intermediaries approved by the Management Company who will not receive any form of remuneration for investments in this class from an entity of the Candriam group, if the final investments in the shares are made in the context of a mandate.

  - UCIs approved by the Management Company.

- The **S** Share Class is reserved exclusively for institutional investors specifically approved by the Management Company.

- The **V** Share Class is reserved exclusively for institutional investors. Its minimum initial subscription is EUR 15,000,000 or the equivalent in currencies for classes denominated in foreign currencies or the equivalent in any other currency as decided by the Board of Directors (this minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same Valuation Date).

- The **Y** Share Class is reserved exclusively for institutional investors specifically authorised by the Management Company.

- The **Z** Share Class is reserved for:

  - Institutional/professional investors approved by the Management Company. The portfolio management activity for this class is directly remunerated through the contract concluded with the investor, so no portfolio management fee is payable for the assets of this class.
  - UCIs approved by the Management Company and managed by an entity of the Candriam group.

If it appears that an investor no longer meets the conditions for accessing the class in question, the Board of Directors may take all the necessary measures and, if necessary, convert the shares into another appropriate class.

The assets of the various Share Classes are pooled within a single account.

Before subscribing, investors should refer to the Fact Sheets to obtain further details about each Sub-Fund.

The Board of Directors may, from time to time, decide to offer additional Sub-Funds and/or additional Share Classes in any existing Sub-Fund. The Prospectus will then be updated and amended so as to include detailed information on the new Sub-Fund and/or Share Class.

The Board of Directors of the SICAV is responsible for defining the investment policy of each Sub-Fund.

# 3. Management and administration

### 3.1. Board of Directors

The Board of Directors of the SICAV is responsible for managing the assets of each of the Sub-Funds of the SICAV.

It has overall responsibility for the management of the SICAV including making general policy decisions and reviewing the actions of the Management Company, the Depositary, and any other service provider appointed by the SICAV from time to time.

The list of the members of the Board of Directors is detailed in this Prospectus in the clause titled "Managing and administrative bodies for the SICAV" and in the financial reports.

### 3.2. Domiciliation

The SICAV and CACEIS Bank, Luxembourg Branch, have concluded a domiciliation agreement for an unlimited term.

Under this agreement, CACEIS Bank, Luxembourg Branch, provides the registered office and address to the SICAV in addition to other services relating to domiciliation.

The SICAV may terminate the domiciliary agent functions of CACEIS Bank, Luxembourg Branch with three months' written notice, and the latter may terminate its own functions with the same notice.

### 3.3. Management Company

Candriam, a Luxembourg partnership limited by shares (*société en commandite par actions*) with its registered office at SERENITY – Bloc B, 19-21 route d'Arlon, L-8009 Strassen, has been appointed as management company (hereinafter "Management Company") under a Management Company Agreement concluded for an indefinite period of time and may be terminated by either party with three months' written notice.

Candriam (formerly Candriam Luxembourg) is a subsidiary of Candriam Group, a New York Life Insurance Company group entity. It was incorporated in Luxembourg on 10 July 1991 for an indefinite period of time and started its management activities on 1 February 1999. It is registered with the Luxembourg Trade and Companies Register under reference B 37.647 and its articles of incorporation were amended for the last time on 17 June 2022; the corresponding amendments were published in the Mémorial.

Candriam is registered with the Luxembourg Supervisory Authority under Chapter 15 of the Law of 2010, and is authorized to provide collective portfolio management, investment portfolio management and investment advisory services.

### 3.3.1. Functions and responsibilities

The Management Company has the broadest possible powers to carry out UCI management and administration activities in accordance with its business purpose. It is responsible for the portfolio management, administration (i.e. activities of administrative agent, transfer agent and registrar) and marketing (distribution) activities of the SICAV.

The Management Company may at its own expense and under its control and supervision delegate its functions. However, it retains full responsibility for any action undertaken by the delegate.

In consideration for its portfolio management, administration and distribution services (as defined in Appendix II of the Law of 2010), the Management Company is entitled to receive the fees, payable by the SICAV to the Management Company, as detailed in each Fact Sheet.

Investors are advised to read the SICAV's financial reports to obtain detailed information on the fees paid to the Management Company in remuneration of its services.

#### 3.3.1.1. Portfolio management duties

The Management Company shall be responsible for the portfolio management of all the Sub-Funds. Among other things, it may exercise any voting rights on behalf of the SICAV which are attached to the transferable securities that make up the assets of the SICAV. It may also, under its control and responsibility, delegate the exercise of such voting rights attached to the transferable securities that make up the assets of the SICAV.
The Management Company may, at its own expense and under its control and supervision, delegate its portfolio management functions in relation to the assets of the Sub-Funds within the limits prescribed by the Law of 2010.

In consideration for its services, the Management Company is entitled to receive management fees, payable out of the assets of the relevant Sub-Funds at the end of each month.

The Management Company shall not enter into soft commission agreements with brokers under the terms of which certain services are provided to them based on the brokerage fees the brokers receive in respect of the SICAV’s transactions.

#### 3.3.1.2. Administration

Under the terms of a Central Administration Agreement (the “Central Administration Agreement”), the Management Company has appointed, at its own expense and under its control and responsibility, CACEIS Bank, Luxembourg Branch, with its registered office at 5, Allée Scheffer, L-2520 Luxembourg as registrar and transfer agent (“Transfer Agent”) and administrative agent (“Administrative Agent”). The Central Administration Agreement is concluded for an indefinite period of time and may be terminated by either party with three months’ written notice.

CACEIS Bank, Luxembourg Branch operates as the Luxembourg branch of CACEIS Bank, a société anonyme under French law whose registered office is at sis 89-91, rue Gabriel Peri, 92120 Montrouge, France, Trade Register number RCS Nanterre 692 024 722. It is a credit institution approved and supervised by the European Central Bank (ECB) and the French Prudential Supervision and Resolution Authority (ACPR). The institution is also authorized to perform banking activities and central administration activities in Luxembourg through its Luxembourg branch.

In particular, the Administrative Agent functions comprise the calculation of the NAV per share of each Sub-Fund and/or each share class as applicable, the management of accounts, the preparation of annual and semi-annual reports, and the performance of tasks in its capacity as the Administrative Agent.

In particular, the Transfer Agent functions comprise the processing of subscription, redemption and conversion orders and the keeping of the register of shareholders.

In this capacity, the Transfer Agent is also responsible for supervising measures to combat money laundering in accordance with the applicable regulations in Luxembourg on money laundering and financing of terrorism and preventing the financial sector from being used for the purposes of money laundering and financing of terrorism. CACEIS Bank, Luxembourg Branch is authorized to request the documents necessary in order to identify the investors.

#### 3.3.1.3. Marketing

Marketing duties consist in coordinating the distribution of the SICAV's shares through intermediaries designated by the Management Company (hereinafter "Distributors").

Distributor agreements may be entered into by the Management Company and the various Distributors. Under these agreements, the Distributor will be entered in the register of shareholders, when acting in the capacity of nominee, instead of the customers who have invested in the SICAV.

These agreements stipulate, among other things, that a customer who has invested in the SICAV through the Distributor may at any time request the transfer of the shares purchased via the Distributor into his or her own name in the register of shareholders upon receipt of the transfer instructions from the Distributor.

Shareholders may subscribe for shares in the SICAV directly without needing to subscribe through a Distributor.

Any Distributor appointed must apply the procedures to combat money laundering as defined in the Prospectus. The appointed Distributor must be a professional of the financial sector situated in a country subject to obligations to combat money laundering and the financing of terrorism equivalent to those of the Luxembourg law or the Directive (EU) 2015/849.

### 3.3.2. Remuneration policy

The Management Company has an established remuneration framework and associated policy in place (the “Remuneration Policy”) that is in accordance with the requirements of the Law of 2010 and the following statements:

- the Remuneration Policy is consistent with and promotes sound and effective risk management including sustainability risks and does not encourage risk taking which is inconsistent with the risk profiles and with the SICAV’s Articles ; Candriam has designed appropriate policies to promote responsible staff behaviour which duly considers sustainability impacts.

- the Remuneration Policy is in line with the business strategy, objectives, values and interests of the Management Company, of the SICAV and of the investors in the SICAV, and includes measures to avoid conflicts of interest;

- Candriam’s structure of remuneration is linked to risk adjusted performance. The assessment of performance is set in a multi-year framework appropriate to the minimum holding period recommended to the investors of the SICAV in order to ensure that the assessment process is based on the longer-term performance of the SICAV and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
- Candriam aims to ensure that employees are not incentivized to take inappropriate and/or excessive risks including sustainability risks which are inconsistent with the risk profile of Candriam and, where appropriate, the managed funds”. Moreover, when taken into account by the fund, Candriam ensures that staff duly consider sustainable impacts.

- Therefore, the Remuneration Policy ensures an appropriate balance between fixed and variable components of total remuneration. The fixed component always represents a sufficiently high proportion of the total remuneration. The policy regarding variable remuneration components is a fully flexible policy and provides for the possibility to pay no variable remuneration component.

Details of the up-to-date Remuneration Policy, including the composition of the Remuneration Committee, a description of how remuneration and benefits are determined and of how this policy is consistent with the consideration of sustainability risks and impacts, are available on the website of the Management Company via the following link:
[https://www.candriam.com/siteassets/legal-and-disclaimer/external_disclosure_remuneration_policy.pdf](https://www.candriam.com/siteassets/legal-and-disclaimer/external_disclosure_remuneration_policy.pdf)

Upon request, a paper copy of the Remuneration Policy can be obtained from the Management Company free of charge.

### 3.3.3. Internal Credit Quality Assessment Policy

In accordance with Regulation (EU) 2017/1131, the Management Company has established an internal credit quality assessment procedure ("Assessment Procedure") which will be applied consistently to determine the credit quality of the money market instruments, securitisations and ABCPs in the portfolio, taking account of the issuer of the instruments and the characteristics of the instrument itself, with the aim of facilitating investment in assets with a positive credit quality assessment.

The participants in this Assessment Procedure within the Candriam Group are as follows, under the responsibility of the Management Company:

- Candriam credit analysts:
  - collect financial and non-financial information,
  - analyse the information collected,
  - provide a proposal of assessment of the credit quality of the issuers and / or instruments to the committees in charge of the validations of these assessments,
  - carry out daily management of the assessment of issuers / instruments based on the flow of information available,
  - review on an ad-hoc basis –or in the event of a change in methodology or credit event- the assessment of issuers / instruments,
  - perform an exhaustive review of the assessment of issuers / instruments on a quarterly basis,
  - update the list of authorised issuers / instruments,
  - review the Assessment Procedure once a year or in exceptional circumstances where necessary.

- Candriam money market portfolio managers:
  - are not involved in the various analyses in order to guarantee absolute independence in the assessment of issuers and / or instruments,
  - are non-voting members of the committees responsible for validating the assessments,
  - apply the committees' decisions to influence their investment choices.

- The Candriam committees responsible for validating the assessments:
  - two committees: one dedicated to the universe of private sector issuers and one dedicated to the universe of sovereign issuers,
  - consist of credit analysts and portfolio managers,
  - are chaired by the risk management department which validates the assessments of the money market issuers and / or instruments,
  - formalise the decisions by updating the list of authorised issuers and / or instruments,
  - validate the assessments of the issuers and / or instruments,

- vote collegially (only credit analysts).

- Candriam's risk management Department:
  - reviews and validates the Assessment Procedure in a dedicated committee,
  - monitors the application of the Assessment Procedure,
  - may be required to take specific decisions if an exceptional event occurs,
  - informs the Management Company's management committee about the operation of the Assessment Procedure, areas where weaknesses have been identified, and the progress of actions and work carried out to remedy the weaknesses identified,
  - prepares a report on the risk profile of the fund, based on an analysis of the internal assessments of the fund's credit quality, and submits it to the Management Company's Board of Directors once a year.

- The Management Company's management committee:
  - approves the Assessment Procedure as well as its various updates,
  - ensures on an ongoing basis that the Assessment Procedure is working properly,
  - validates any change of credit quality methodology.

- The Management Company's Board of Directors:
  - approves the Assessment Procedure as well as its various updates.

The Assessment Procedure is based on a number of qualitative and quantitative criteria in accordance with Regulation (EU) 2017/1131.

- Quantitative criteria

  In order to quantify the credit risk of an issuer or guarantor and the relative risk of default of an issuer or guarantor and an instrument, the following quantitative criteria are in principle used in the method of credit quality assessment:

  - Capital structure: analysis of capital structure, diversification of sources of financing, key credit ratios, etc.
  - Financial health: analysis of the generation of cash flows, level of financial charges, key financial ratios, etc.
  - Quality of assets: ability to manage the level of debt, analysis of off-balance sheet commitments, key financial ratios, etc.
  - Cash holdings of the company: critical sources / use of the cash to estimate the company's liquidity buffer, key financial ratios, etc.
  - Assessment of the company's debt: assessment of the issuer's bonds and CDS market, valuation of the issuer's treasury bill.
  - Market liquidity: the existence and capacity of the secondary market of the instrument or security, as well as the remaining period until the principal amount can be recovered by the demand (i.e. at maturity).

- Qualitative criteria

  The criteria for establishing qualitative credit risk indicators related to the issuer of the instrument are in principle:

  - Financial situation and analysis of the most recent available financial statements.
  - Based on market information, ability to react on announcing elements of future events specific to a market, issuer or guarantor, including repayment capacity in an extremely adverse situation.
  - Based on market information, ability to react on elements that will impact the sector of the issuer or guarantor, or the economic system in relation to economic trends and competitive positions.
  - Assessment of the issuer's liquidity profile, including sources of liquidity, taking into account bank credit lines and other sources of liquidity, as well as the issuer's ability to repay its short-term debt.

- For sovereign issuers: fiscal policy (government revenue versus expenditure requirements), monetary policy (money supply and interest rate level and trend), balance of payments (strength of the country's capital account), current account and trade balance, and size of international reserves and its impact on the outlook for the currency.

The specific criteria for qualitative assessment of the issuer or guarantor and of an instrument as designed by the Management Company include in principle:

- Short-term nature of the money market instruments: the short-term internal rating allows the portfolio manager to invest in maturities ranging from three months to two years.
- The asset class to which the instrument belongs: notwithstanding the credit analyst's internal assessment, the portfolio manager considers market parameters that allow him to consider the asset class to which the different instruments belong.
- Size of the company: assets, pricing policy, turnover
- Quality of management: long-term history of strategies, shareholding structure, dividend policy, microeconomic SRI analysis – company relations with shareholders
- Economic model: geographical diversification and products, market share, customer base, macroeconomic SRI analysis – how the company addresses the key factors of success
- Sector risk: resilience of the sector to economic cycles, political and regulatory risks, barriers to entry, identification of sustainability challenges
- External credit ratings: the different sub-funds of the SICAV will seek only to hold securities which benefit from a credit quality assessment deemed to be favourable or positive. Where a credit rating agency registered and certified has provided a rating of that money market instrument, the Management Company may have regard to such rating and supplementary information and analysis in its internal credit quality assessment, while not solely or mechanistically relying on such rating.
- Environmental, Social and Governance (ESG) criteria, notably : assessment of the relationships of companies with their stakeholders, business exposure or impact on major themes related to sustainability, assessment of sovereign issuers on essential dimensions of sustainability.

If the SICAV were to invest in ABCPs or other structured financial instruments, the credit quality assessment would take account of the operational risk and the counterparty risk inherent in the structured financial instrument and, in the case of exposure to a securitisation, the issuer's credit risk, the structure of the securitisation, and the credit risk of the underlying assets.

## 4. The Depositary

CACEIS Bank, Luxembourg Branch acts as the depositary of the SICAV ("**Depositary**") in accordance with a depositary bank agreement for an unlimited term as amended from time to time ("**Depositary Bank Agreement**") and with the relevant provisions of the Law and applicable regulations.

The Depositary is responsible for the safekeeping and/or, as applicable, the registration and verification of ownership of the assets of the Sub-Fund, and it discharges the obligations and responsibilities set out in Part I of the Law and the applicable regulations. In particular, the Depositary performs appropriate and effective monitoring of the cash flows of the SICAV.

In accordance with the applicable regulations, the Depositary:

(i) ensures that any sale, issue, redemption, repayment and cancellation of the shares of the SICAV take place in accordance with the Law and applicable regulations and the articles of incorporation of the SICAV,

(ii) ensures that the net asset value of the shares is calculated in accordance with the applicable regulations, the articles of incorporation of the SICAV, and the procedures set out in Directive 2009/65/EC,

(iii) carries out the instructions of the SICAV unless they conflict with the applicable regulations or the articles of incorporation of the SICAV,

(iv) ensures that for transactions involving the SICAV's assets, the consideration is paid to the SICAV within the usual time limits,

(v) ensures that the SICAV's income is allocated in accordance with the applicable regulations and the articles of incorporation of the SICAV.

The Depositary may not delegate any of the obligations and responsibilities in parts (i) to (v) above.

In accordance with Directive 2009/65/EC, the Depositary may, under certain conditions, entrust all or some of the assets for which it performs safekeeping or registration functions to correspondents or to third-party depositaries appointed from time to time ("Delegation"). The Depositary's responsibilities will not be affected by such Delegation, unless otherwise provided but solely within the limits allowed by the Law.

A list of these correspondents/third-party depositaries is available on the Depositary's web site (www.caceis.com, in the regulatory oversight section). This list may be updated from time to time. The complete list of correspondents/third-party depositaries may be obtained free of charge from the Depositary.

Up-to-date information about the identity of the Depositary, a description of its responsibilities and potential conflicts of interest, the safekeeping functions delegated by the Depositary and the potential conflicts of interest that may arise from such Delegation are also available on request free of charge on the Depositary's web site (above).
There are many situations in which a conflict of interest may arise, in particular when the Depositary delegates its safekeeping functions, or when the Depositary provides other services on behalf of the SICAV such as the central administration function or the registrar function. These situations and the potential conflicts of interest arising from them have been identified by the Depositary. In order to protect the interests of the SICAV and its investors, and to comply with the applicable regulations, the Depositary has put in place and guarantees application of a conflicts of interest policy, as well as procedures intended to prevent and to manage any potential or actual conflict of interest, principally aiming to do the following:

(a) identify and analyse potential conflicts of interest,

(b) record, manage and monitor conflicts of interest, either:

- by relying on permanent measures established to manage conflicts of interest such keeping separate legal entities, segregating functions, separating hierarchical structures, insider lists of staff members, or

- by setting up case-by-case management with a view to (i) taking appropriate preventive measures such as preparing a new watch list, establishing new "Walls of China", ensuring that transactions take place under market conditions and/or informing the SICAV's relevant investors, or (ii) refusing to carry out the activity creating the conflict of interest.

The Depositary has established a functional, hierarchical and/or contractual separation between the performance of its depositary bank functions and the performance of other tasks on behalf of the SICAV, in particular its administrative agent and registrar services.

The SICAV and the Depositary may terminate the Depositary Bank Agreement at any time with written notice of ninety (90) days. The SICAV may only dismiss the Depositary, however, if a new depositary bank is appointed within two months to perform the functions and responsibilities of the depositary bank. Once dismissed, the Depositary may continue to discharge its functions and responsibilities until all the assets of the Sub-Fund have been transferred to the new depositary bank.

## 5. Investment objectives

The SICAV is made up of various Sub-Funds which each pursue a management strategy described in the Fact Sheets attached to this Prospectus. Each Sub-Fund offers shareholders the opportunity to access professional and diversified asset management.

**EMPHASIS IS PLACED ON SRI**

Unless otherwise mentioned in the Sub-Fund's Fact Sheets, Candriam's proprietary developed sustainable & responsible investment philosophy is applied to each Sub-Fund.

**CANDRIAM's SRI PHILOSOPHY**

Candriam's SRI philosophy is built on our strong belief that issuers embracing sustainability-related opportunities and challenges alongside financial opportunities and challenges are the most likely to generate long term value for investors and other stakeholders. By evaluating ESG issues through a methodology developed in-house, Candriam analyses and assesses the sustainability risks and opportunities that affect issuers. This will lead to a better informed investment decision from a risk-return perspective.

**SUSTAINABLE OBJECTIVE RELATED TO CLIMATE CHANGE**

Climate change represents one of the most acute environmental challenges of our time. From humanity's ability to limit global warming over the next 30 years will depend the possibility to tackle other pressing environmental challenges such as limiting deforestation, reversing the loss of biodiversity or preserving fresh water resources.
At the same time the path to limit greenhouse gas emissions has never been clearer. At the international and European level a number of agreements backed by scientific reports have laid down specific scenarios to achieve such reduction in emissions. The European Commission has committed under the Paris Agreement to reduce its overall greenhouse gas emissions by 40% by 2030 compared to their 1990 level. This commitment was actualized in 2019 by the one to become the first carbon neutral continent on a net basis by 2050, and to reduce greenhouse gas emissions by 55% instead of 40% by 2030.
The objective of the SICAV is to contribute to this European objective of limiting greenhouse gas emissions in order for fulfill the long-term objectives of the Paris Agreement. To achieve this objective, Candriam has defined specific targets at Sub-Fund level in line with the particularities of each Sub-Fund strategy and asset class.

The measurement of a sovereign issuer's reduction of greenhouse gas emissions presents a number of methodological and data-related challenges far exceeding those present for corporate issuers.

Methodological limitations and attribution pitfalls have led Candriam to broaden the sustainability objective for sovereign issuers to encompass a wider range of sustainability considerations than solely those relating to climate change. Depending on the Sub-Fund, the sustainability objective will be achieved through a combination of an overall sustainability score measurement and/or a specific country sustainability indicator relevant for the universe of sovereign issuers at stake.

## GLOBAL SUSTAINABLE OBJECTIVE

Moreover, Sub-Funds of the SICAV, not focusing on specific themes, aim also to have long-term positive impacts on the environment, more broadly than Climate change, and also on social domains.

Several sustainable impacts are integrated into the investment decisions for corporates, Therefore Candriam has developed an impact assessment methodology based on the analysis of business activities and their contribution to major sustainable goals. As part of this assessment, Candriam analysts aim to assess to what extent companies' products and services contribute to the achievement of these major sustainable goals, which are:

- Climate change mitigation and adaptation
- Resources and waste management
- Promotion of health and wellbeing
- Digitalisation and fostering innovation
- Adaptation to demographic changes

This assessment forms the bedrock of each company's overall ESG score, together with the analysis of their stakeholder management. Through the integration of this business activities impact assessment, Candriam is able to focus investments in well-diversified strategies on companies contributing to several sustainable objectives.

For each Sub-Fund its sustainability objective(s) will be explicitly mentioned in the Sub-Fund's factsheet.

## ESG ANALYSIS APPROACH FOR CORPORATE ISSUERS

The Sub-Fund selects companies on the basis of Candriam's ESG analysis, which evaluates issuers from two distinct but related angles:

- the business activities analysis: a strategic assessment of how companies' activities address the key sustainable challenges including, but not limited to, climate change and resources & waste; and

- the stakeholder analysis: evaluation of how companies manage material stakeholder issues including employees, clients, society, environment, suppliers, investors.

Depending on the investment compartment to which it is applied, this in-depth analysis makes it possible to focus securities selection on the best companies from an ESG perspective, to eliminate issuers with the worst ESG profiles from the selection and/or to focus selection on issuers with the greatest exposure to sustainable development themes.

## NORMS-BASED ASSESSMENT AND EXCLUSIONS APPLICABLE TO CORPORATE ISSUERS

With the purpose of reducing ESG associated risks and in order to take account of far-reaching societal changes, the Sub-Fund aims to exclude companies that fall under Candriam's SRI Exclusion Policy.

This policy aims to exclude companies that:

- do not meet the criteria of a normative exclusion filter that takes account of compliance with international standards concerning social, human and environmental rights and the fight against corruption, such as set out in the United Nations Global Compact and the 'OECD's Guidelines for Multinational Enterprises'. This filter aims at excluding companies that are repeatedly and materially in breach of any of these principles. Furthermore, companies that present both material and severe structural risks in terms of environmental, social and governance factors are excluded from the fund, and/or

- are significantly exposed to controversial activities linked in particular to tobacco, steam coal, weapons and the production of nonconventional oil and gas. The strategy does not invest in companies that manufacture, use or hold anti-personnel mines, cluster bombs, chemical, biological, white phosphorus, depleted uranium and nuclear weapons; and/or

- Are exposed to countries considered as highly oppressive regimes.

**STEWARDSHIP APPLICABLE TO CORPORATE ISSUERS**

The analysis and selection process of corporate issuers is accompanied by company stewardship activities (e.g. active direct dialogue with companies, voting at general meetings, participation to collaborative engagement initiatives) as described within Candriam's Engagement Policy.

**COUNTRY ESG ANALYSIS APPROACH APPLICABLE TO ALL SUB-FUNDS HOLDING SOVEREIGN DEBT**

Candriam's ESG Country analysis assesses countries on the basis of a rigorous analytical framework integrating the interrelated ESG factors underpinning economies and their impact on sustainable development, growth and debt sustainability.
The ESG country analysis considers that a country's total capital consists of four types of stocks or resources; namely, human capital, natural capital and social capital in addition to economic capital. Each of these must meet the needs of the present generation but must also be preserved for future generations. Our approach analyses and rates countries according to how they manage these four types of capital. As debt sustainability is influenced by both financial and non-financial risks and opportunities, the investment strategy involves selecting the best performing countries according to Candriam's dynamic capital-based methodology.

In addition, the investment strategy excludes countries whose regimes are considered highly oppressive and/or are at risk from the perspective of terrorism financing and/or money laundering.

The ESG analyses described above for corporate issuers and countries will be applied to, at least, 90% of the investments of each Sub-Fund, to the exclusion of deposits, cash and index derivatives.

The ESG analyses described above for corporate issuers and countries apply to direct investments, underlyings of derivatives (excluding index derivatives) and to underlying funds managed by Candriam. For derivatives, other specific ESG rules are applied. Details can be found in the Transparency Codes whose links can be found in each Sub-Fund's Fact Sheets.

**ALIGNMENT WITH THE TAXONOMY**

The European taxonomy of green activities (the "Taxonomy") – Regulation (EU) 2020/852 is part of the EU's global efforts to meet the objectives of the European Green Deal and to allow Europe to achieve climate-neutrality by 2050.

Specifically, this Regulation sets out six environmental objectives:

- Climate change mitigation
- Climate change adaptation
- The sustainable use and protection of water and marine resources
- The transition to a circular economy
- Pollution prevention and control
- The protection and restoration of biodiversity and ecosystems.

For directly managed investments and/or the underlying funds managed by Candriam, the environmental aspects making up these six environmental objectives are placed at the heart of the ESG analysis of issuers. For the sub-funds which have sustainable investment as their objective and also for the sub-funds which promote, among other characteristics, environmental and/or social characteristics, this work to evaluate the contribution of issuers to the main environmental objectives, in particular the battle against climate change, requires a sector-based appraisal based on a heterogeneous data set and complex realities with multiple interdependencies. Candriam's ESG analysts developed their own analysis framework. This will enable a systematic evaluation of the contribution of a company's activities to various environmental objectives defined by Candriam and in line with the Taxonomy objective.
Following publication of the technical criteria for the two environmental objectives linked to climate change in the Taxonomy by the group of experts created at the European level, Candriam set out to integrate these technical criteria into its existing analysis framework.
Such an analysis covering the entire scope of affected issuers is only possible with effective publication of certain data by these key issuers, allowing a detailed appraisal of their contribution to be made.
At present, only a small number of companies in the world provide the minimum data required for a rigorous evaluation of their alignment with the Taxonomy.
As a consequence, the Sub-Funds – with the exception of the Sub-Fund **Candriam Sustainable Climate Action** - may not yet commit to any minimum of Taxonomy alignment and, therefore, their minimum percentage of alignment should be considered as being 0.

Regarding the Sub-Fund **Candriam Sustainable Climate Action**, considering

- the specific thematic of the Sub-Fund,
- the data provided by the companies falling under this thematic,
- the data provided by external providers, and
- Candriam’s qualitative analysis,

the Sub-Fund commits to a minimum of investments qualifying as environmentally sustainable as per the Taxonomy Regulation of 5 %.

For more details, please see the transparency code on the Management Company's website, see link hereafter.

**MORE INFORMATION ON CANDRIAM’S ESG ANALYSES**

For more information on ESG analyses, please consult Candriam’s website especially via the following links:

- Scope taken into account as well as methodology relating to the carbon footprint, cf Transparency code:
  https://www.candriam.com/en/private/market-insights/sri-publications/#transparency

- Exclusion policy:
  https://www.candriam.com/siteassets/medias/publications/sri-publications---candriam-policies/exclusion-policy.pdf

- Engagement policy (engagement & vote):
  https://www.candriam.com/4b0e56/siteassets/medias/publications/brochure/corporate-brochures-and-reports/engagement-policy/candriam_engagement_policy.pdf

  https://www.candriam.com/siteassets/medias/publications/sri-publications---candriam-policies/proxy-voting-policy.pdf

Information is also available in the annual report of the SICAV.

**Candriam’s commitment to support sustainability initiatives**

Candriam commits to set aside 10% of the net management fees (i.e. net of any rebates paid to distributors, platforms and/or clients) earned by Candriam on the Sub-Funds of the SICAV to support sustainability initiatives. This percentage may be reviewed at Candriam’s discretion and after any such change will be reflected in an updated Prospectus.

If the provisioned amount has not effectively been paid out in the year that the net management fees have accrued due to a delay in the selection and approval of beneficiaries or projects, then the accumulated provision will be paid out as soon as beneficiaries will have been selected and approved.

Candriam will favour organizations, corporations and projects which are focusing on SRI/ESG Research and Education and on Social Inclusion / Sustainable Development.

Candriam’s support can take the form of donations to organizations, support to projects and participations in the capital of organizations, corporations or funds creating a positive social or environmental impact.

The selected projects and organizations may be linked to the specific investment objective of a Sub-Fund, such as for example projects focusing on circular economy or climate action, or children’s well-being & development.

Additional information on the supported initiatives as well as on the allocated fees is available on Candriam’s website and in the Corporate Social Responsibility Report.

In pursuit of its investment objective, each Sub-Fund is likely to be exposed to various risk factors mentioned in the Fact Sheets. These risk factors are set out in this Prospectus in the clause titled “Risk factors”.

In view of fluctuations of the global financial markets and other risks to which investments in transferable securities, money market instruments and other financial assets are exposed, the value of the shares may go down or up.

# 6. Investment policy

**Consideration of Environmental, Social and Governance (« ESG ») criteria**

Each sub-fund's technical sheet will indicate in which category it is classified, within the meaning of EU Regulation 2019/2088 of 27 November 2019 on sustainability disclosures in the financial services sector (the "SFDR Regulation") i.e.:

- Sub-fund with a sustainable investment objective (« Art. 9 of the SFDR Regulation ») ;
- Sub-fund that promotes, among other characteristics, environmental and/or social characteristics (« Art. 8 of the SFDR Regulation »);

**6.1. <u>Sub-Funds that do not qualify as MMF</u>**

6.1.1. The investments of each Sub-Fund that do not qualify as MMF must consist only of one or more of the following:

a) transferable securities and money market instruments admitted to or dealt on a regulated market as defined in the Law of 2010;

b) transferable securities and money market instruments dealt on another market in a Member State which is regulated, operates regularly and is recognized and open to the public;

c) transferable securities and money market instruments admitted to official listing on a stock exchange in a non-Member State or dealt on another market in any other country in Europe (other than those forming part of the European Union), North and South America, Asia, Oceania, Australia, or Africa, or dealt on another regulated market of a country of Europe (other than those forming part of the European Union), North and South America, Asia, Oceania, Australia, or Africa that is regulated, operates regularly, is recognized and open to the public.

d) recently issued transferable securities and money market instruments, provided that:

- the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or to another regulated market which operates regularly and is recognized and open to the public of a Member State of the European Union, any other country in Europe (other than those forming part of the European Union), North and South America, Asia, Oceania, Australia and Africa; and
- the admission is secured within one year of issue.

e) units in UCITS authorized according to Directive 2009/65/EC and/or other UCI within the meaning of clause 1, paragraph (2), clauses (a) and (b) of Directive 2009/65/EC, whether established in a Member State or not, provided that:

- such other UCI are authorized under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured;
- the level of protection guaranteed to unitholders in these other UCI is equivalent to that provided for unitholders of a UCITS and, in particular, that the rules on asset segregation, borrowing, lending and short-selling of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC;
- the activities of these other UCI are reported in semi-annual and annual reports such that their assets, liabilities, income and activities over the reporting period may be evaluated;
- the proportion of assets that the UCITS or other UCI whose acquisition is contemplated, may invest overall, in accordance with their management rules or their documents of incorporation, in units in other UCITS or other UCI does not exceed 10%.

  Furthermore, a Sub-Fund may acquire and/or hold shares to be issued or having been issued by one or more Sub-Funds of the SICAV (the one or more "target Sub-Funds"), without the SICAV being subject to the requirements stipulated by the Luxembourg law of 10 August 1915 on commercial companies, as amended from time to time, in terms of the subscription, acquisition and/or holding by a company of its own shares, subject, however, to the following:

  - the target Sub-Fund does not, in turn, invest in the Sub-Fund invested in this target Sub-Fund; and
  - the proportion of assets that the target Sub-Funds, whose acquisition is being contemplated, may invest overall in the units of other target Sub-Funds of the SICAV does not exceed 10%; and
  - any voting rights attached to the shares in question will be suspended for as long as they are held by the Sub-Fund concerned, without prejudice to the appropriate treatment in the accounts and the interim reports; and
  - in any event, for as long as these shares are held by the SICAV, their value will not be taken into consideration for the calculation of the net assets of the SICAV for the purpose of verifying the minimum asset level imposed by the Law of 2010.

f) deposits with a credit institution which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months provided that the credit institution has its registered office in a Member State or, if this is not the case, that the credit institution is subject to prudential rules considered by the CSSF to be equivalent to those provided for under EU legislation;

g) financial derivative instruments, including equivalent cash-settled instruments, dealt on a regulated market of the type referred to under clauses (b), (c) and (d) above, or financial derivative instruments traded over-the-counter ("OTC"), provided that:

- the underlying consists of the instruments referred to in this clause 6.1.1, financial indices, interest rates, exchange rates or currencies, in which the Sub-Fund may make investments in accordance with its investment objectives;
- the counterparties to OTC derivative transactions are institutions subject to prudential supervision and belonging to the categories authorized by the CSSF;
- the OTC derivatives are reliably and verifiably valued on a daily basis and can, at the initiative of the SICAV, be sold, liquidated or closed by way of an offsetting transaction at their fair value at any time.

Additional information pertaining to some instruments:

A Sub-Fund may make use of total return swaps or other derivative financial instruments which have the same characteristics, for example, certificates for differences, for the purpose of (buying or selling) exposure, hedging or arbitration.

The underlying instruments to these operations may be either individual securities, financial indices (equities, interest rates, credit, foreign currencies, commodities, volatility, etc.) in which the Sub-Fund may invest in accordance with its investment objectives. A Sub-Fund may conduct credit derivative transactions (single underlying or on a credit index) for the purposes of exposure, hedging or arbitrage.

These transactions are undertaken with counterparties which specialize in this type of transaction and are covered by agreements among the parties. They are carried out within the framework of the investment policy and the risk profile of each individual Sub-Fund.

The investment policy of each Sub-Fund set out in the Fact Sheet specifies whether a Sub-Fund is permitted to make use of total return swaps or these other forms of financial derivative instruments with the same characteristics, or of credit derivatives.

h) money market instruments other than those normally dealt on the money market which are liquid and whose value can be accurately determined at any time, if the issue or the issuer of these instruments is itself regulated for the purpose of protecting investors and savings and provided these instruments are:

- issued or guaranteed by a central, regional or local authority, by a central bank of a Member State, by the European Central Bank, by the European Union or by the European Investment Bank, by a non-Member State or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or

- issued by an undertaking whose securities are traded on the regulated markets referred to under clauses (b), (c) or (d) above, or

- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF as being at least as stringent as those laid down by EU law, or

- issued by other entities belonging to categories approved by the CSSF provided that investments in such instruments are subject to investor protection rules equivalent to those laid down in the preceding three paragraphs, and provided the issuer is a company whose capital and reserves amount to at least ten million euro (EUR 10,000,000), and who presents and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC, is an entity which, within a group of companies which includes one or more listed companies, is dedicated to the financing of the group, or is an entity which is dedicated to the financing of securitization vehicles which benefit from a banking liquidity line.

6.1.2. A Sub-Fund may hold ancillary liquid assets up to 20% of its net assets. Ancillary liquid assets are limited to bank deposits at sight such as cash held in current accounts with a bank, accessible at any time.

6.1.3. The SICAV may acquire the movable or immovable property essential to the direct exercise of its activities.

**6.1.4. Efficient portfolio management techniques**

In order to increase its yield and/or reduce its risks, each Sub-Fund is authorized to make use of the following efficient portfolio management techniques covering transferable securities and money market instruments:

**6.1.4.1. Securities lending transactions**

Each Sub-Fund shall not engage in securities lending transactions.

**6.1.4.2. Reverse repurchase transactions**

Each Sub-Fund may enter into reverse repurchase transactions for which, on maturity, the seller (counterparty) is required to take back the asset contained in the repurchase agreement and the Sub-Fund is required to return the asset contained in the reverse repurchase agreement. The type of securities covered by the reverse repurchase agreement and the counterparties must meet the requirements of CSSF circular 08/356.

The type of securities covered by the reverse repurchase transactions/agreements and the counterparties must meet the requirements of CSSF circular 08/356 and the conditions laid down in clause 7.1.10 of the present Prospectus.

The expected proportion as well as the maximum proportion of assets under management that can be subject to such transactions or agreements are detailed in the Fact Sheet of each Sub-Fund.

For the term of the reverse repurchase agreement, the Sub-Fund may not sell or use the securities which are subject to such agreement as a pledge/guarantee, unless the Sub-Fund has other means to cover its obligation to return the securities under the agreement.

#### 6.1.4.3. Repurchase transactions

Each Sub-Fund may enter into repurchase transactions which consist of the purchase and sale of securities with a clause reserving the seller the right or the obligation to repurchase from the acquirer the securities sold at a price and term specified by the two parties in their contractual arrangement.

The type of securities covered by the repurchase transactions/agreements and the counterparties must meet the requirements of CSSF circular 08/356 and the conditions laid down in clause 7.1.10 of the present Prospectus.

The expected proportion as well as the maximum proportion of assets under management that can be subject to such transactions or agreements are detailed in the Fact Sheet of each Sub-Fund.

The Sub-Fund in question must, on expiration of the term of the repurchase agreement, have the necessary assets to meet its redemption obligations.

The use of these transactions must not result in a change of the Sub-Fund's investment objectives or result in additional risks being taken which exceed its risk profile as defined in the Prospectus.

### 6.1.5. Associated risks and mitigation measures

The risks associated with efficient portfolio management techniques (including management of guarantees) are identified, managed and restricted by the risk management process. The principal risks are counterparty risk, delivery risk, operational risk, legal risk, custody risk and conflict of interest risk (as defined in the Risk factors article), and such risks are mitigated by the organization and the procedures defined by the Management Company as follows:

(i) *Selection of counterparties and legal framework*: The counterparties to these transactions are approved by the Management Company's risk management Department and, when the transactions are initiated, have a minimum rating of BBB-/Baa3 from at least one recognized rating agency or a credit quality qualified as equivalent by the Management Company. These counterparties are institutions subject to prudential supervision, belonging to the categories approved by the CSSF (credit institutions, investment firms, etc.) and specialized in this type of operations. The counterparties are located in an OCDE member state.

(ii) *Financial guarantees*: See clause 7.1.10. titled "Management of financial guarantees for OTC derivative products and efficient portfolio management techniques".

(iii) *Restrictions on reinvestment of financial guarantees received*: See clause 7.1.10. titled "Management of financial guarantees for OTC derivative products and efficient portfolio management techniques".

(iv) *Measures taken to reduce the risk of conflicts of interest* : To mitigate the risk of a conflict of interest, the Management Company has established a process for selecting and monitoring counterparties through committees organized by its risk management Department. In addition, the remuneration of transactions with these counterparties is in line with market practices in order to avoid any conflict of interest.

(v) *Remuneration policy for reverse repurchase agreements:* Income from reverse repurchase agreements is paid in full to the Sub-Fund.

(vi) *Remuneration policy for repurchase agreements:* This activity does not generate income.

#### 6.1.6. Periodic investor information

Investors are advised to seek for further information on the use of these efficient portfolio management techniques in the financial reports.

### 6.2. Sub-Funds qualifying as MMF

6.2.1. The investments of the various Sub-Funds of the SICAV qualifying as MMF must consist only of one or more of the following:

#### A) Money Market Instruments

1. A Money Market Instrument shall be eligible for investment by an MMF provided that it fulfills all of the following requirements:

   a) it falls within one of the categories of Money Market Instruments referred to in point (a), (b), (c) or (h) of article 50(1) of Directive 2009/65/EC, namely in particular:

      (i) Money Market Instruments listed or traded on a market within the meaning of Directive 2004/39/EC;

      (ii) Money Market Instruments traded on another regulated market of a Member State, which operates regularly and is recognized and open to the public;

      (iii) Money Market Instruments officially listed on a stock exchange of a Member State of Europe (other than those forming part of the EU), North and South America, Asia, Oceania and Africa, or traded on another regulated market of a country of Europe (other than those forming part of the EU), North and South America, Asia, Oceania and Africa;

      (iv) Money Market Instruments other than those normally traded on the money market, which are liquid and whose value can be accurately determined at any time, provided the issue or issuer of these instruments is itself regulated for the purpose of protecting investors and savings and provided these instruments are:

      - issued or guaranteed by a central, regional or local authority, by a central bank of a Member State, by the European Central Bank, by the European Union or by the European Investment Bank, by a non-Member State or, in the case of a federal state, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or

      - issued by an undertaking whose securities are traded on the regulated markets referred to under points (i), (ii) or (iii) above, or

      - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF as being at least as stringent as those laid down by EU law, or

      - issued by other bodies belonging to categories approved by the CSSF, provided that investments in such instruments are subject to investor protection rules equivalent to those laid down in the first, second or third indent above, and that the issuer is a company with combined capital and reserves of at least ten million euros (EUR 10,000,000) which presents and publishes its annual accounts in accordance with the Fourth Council Directive 78/660/EEC, an entity which, within a group of companies that includes one or more listed companies, is dedicated to financing the group or an entity which is dedicated to financing securitization vehicles that benefit from bank financing facilities.

b) it displays one of the following alternative characteristics:

(i) it has a legal maturity at issuance of 397 days or less;

(ii) it has a residual maturity of 397 days or less;

c) the issuer of the Money Market Instrument and the quality of the Money Market Instrument have received a favourable assessment pursuant to Internal Credit Quality Assessment Policy.

2. Notwithstanding point (b) of paragraph 1, Standard MMFs shall also be allowed to invest in Money Market Instruments with a residual maturity until the legal redemption date of less than or equal to 2 years, provided that the time remaining until the next interest rate reset date is 397 days or less. For that purpose, floating-rate Money Market Instruments and fixed-rate Money Market Instruments hedged by a swap arrangement shall be reset to a money market rate or index.

3. Point (c) of paragraph 1 shall not apply to Money Market Instruments issued or guaranteed by the EU, a central authority or central bank of a Member State, the European Central Bank, the European Investment Bank, the European Stability Mechanism or the European Financial Stability Facility.

4. Money Market Instruments also include financial instruments issued or guaranteed separately or jointly by the EU, the national, regional and local administrations of the Member States or their central banks, the European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Facility, a central authority or central bank of a third country, the International Monetary Fund, the International Bank for Reconstruction and Development, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the Bank for International Settlements or any other relevant international financial institution or organization to which one or more Member States belong.

**B) Securitizations and asset backed commercial papers (ABCPs)**

1. Both a securitization and an ABCP shall be considered to be eligible for investment by an MMF provided that the securitization or ABCP is sufficiently liquid, has received a favourable assessment pursuant to the Internal Credit Quality Assessment Policy and is any of the following:

a) a securitization referred to in article 13 of Commission Delegated Regulation (EU) 2015/61;

b) an ABCP issued by an ABCP program which:

(i) is fully supported by a regulated credit institution that covers all liquidity, credit and material dilution risks, as well as ongoing transaction costs and ongoing program-wide costs related to the ABCP, if necessary to guarantee the investor the full payment of any amount under the ABCP;

(ii) is not a re-securitization and the exposures underlying the securitization at the level of each ABCP transaction do not include any securitization position;

(iii) does not include a synthetic securitization as defined in point (11) of article 242 of Regulation 575/2013, namely a securitization where the transfer of risk is achieved by the use of credit derivatives or guarantees, and the exposures being securitized remain exposures of the originator institution

c) a simple, transparent and standardized (STS) securitization, as determined in accordance with the criteria and conditions laid down in articles 20, 21 and 22 of Regulation 2017/2402 or an STS ABCP, as determined in accordance with the criteria and conditions laid down in articles 24, 25 and 26 of that Regulation; these criteria and conditions include at least the following:

(i) requirements relating to the simplicity of the securitization, including its true sale character and the respect of standards relating to the underwriting of the exposures;

(ii) requirements relating to standardization of the securitization, including risk retention requirements;

(iii) requirements relating to the transparency of the securitization, including the provision of information to potential investors; and

(iv) for ABCPs, in addition to points a), b) and c), requirements relating to the sponsor and to the sponsor support of the ABCP program.

2. A Short-Term MMF may invest in the securitizations or ABCPs referred to in paragraph 1 provided any of the following conditions is fulfilled, as applicable:

a) the legal maturity at issuance of the securitizations referred to in point a) of paragraph 1 is 2 years or less and the time remaining until the next interest rate reset date is 397 days or less;

b) the legal maturity at issuance or residual maturity of the securitizations or ABCPs referred to in points b) and c) of paragraph 1 is 397 days or less;

c) the securitizations referred to in points a) and c) of paragraph 1 are amortizing instruments and have a WAL of 2 years or less.

3. A Standard MMF may invest in the securitizations or ABCPs referred to in paragraph 1 provided any of the following conditions is fulfilled, as applicable:

a) the legal maturity at issuance or residual maturity of the securitizations and ABCPs referred to in points a), b) and c) of paragraph 1 is 2 years or less and the time remaining until the next interest rate reset date is 397 days or less;

b) the securitizations referred to in points a) and c) of paragraph 1 are amortizing instruments and have a WAL of 2 years or less.

**C) Deposits with credit institutions**

A deposit with a credit institution shall be eligible for investment by an MMF provided that all of the following conditions are fulfilled:

a) the deposit is repayable on demand or is able to be withdrawn at any time;

b) the deposit matures in no more than 12 months;

**c)** the credit institution has its registered office in a Member State or, where the credit institution has its registered office in a third country, it is subject to prudential rules considered equivalent to those laid down in EU law in accordance with the procedure laid down in article 107(4) of Regulation 575/2013.

**D) Financial derivative instruments**

A financial derivative instrument shall be eligible for investment by an MMF provided it is dealt in on a regulated market as referred to in point (i), (ii) or (iii) of point 1. a) of point A) *Eligible Money Market Instruments* or OTC and provided that all of the following conditions are fulfilled:

a) the underlying of the derivative instrument consists of interest rates, foreign exchange rates, currencies or indices representing one of those categories;

b) the derivative instrument serves only the purpose of hedging the interest rate or exchange rate risks inherent in other investments of the MMF;

c) the counterparties to OTC derivative transactions are institutions subject to prudential regulation and supervision and belonging to the categories approved by the competent authority of the MMF;

d) the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the MMF's initiative.

**E) Repurchase agreements**

Each Sub-Fund may enter into repurchase agreements which consist of the purchase and sale of securities with a clause reserving the seller the right or the obligation to repurchase from the acquirer the securities sold at a price and term specified by the two parties in their contractual arrangement.

A repurchase agreement shall be eligible to be entered into by an MMF provided that all of the following conditions are fulfilled:

a) the MMF has the right to terminate the agreement at any time upon giving prior notice of no more than two working days;

b) it is used on a temporary basis, for no more than seven working days, only for liquidity management purposes and not for investment purposes other than as referred to in point c);

c) the counterparty receiving assets transferred by the MMF as collateral under the repurchase agreement is prohibited from selling, investing, pledging or otherwise transferring those assets without the MMF's prior consent;

d) the cash received by the MMF as part of the repurchase agreement is able to be:

(i) placed on deposits with a bank which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months. The bank must have its registered office in a Member State or, if this is not the case, must be subject to prudential rules considered by the CSSF to be equivalent to those provided for under EU legislation; or

(ii) invested in assets referred to in paragraph 6. of point F), but shall not otherwise be invested in eligible assets as referred to in points A) to G), transferred or otherwise reused;

e) the cash received by the MMF as part of the repurchase agreement does not exceed 10 % of its assets.

The expected proportion as well as the maximum proportion of assets under management that can be subject to such agreements are detailed in the Fact Sheet of each Sub-Fund.

**F) Reverse repurchase agreements**

Each Sub-Fund may enter into reverse repurchase agreements for which, on maturity, the seller (counterparty) is required to take back the asset contained in the repurchase agreement and the Sub-Fund is required to return the asset contained in the reverse repurchase agreement.

1. A reverse repurchase agreement shall be eligible to be entered into by an MMF provided that all of the following conditions are fulfilled:

   a) the MMF has the right to terminate the agreement at any time upon giving prior notice of no more than two working days;

   b) the market value of the assets received as part of the reverse repurchase agreement is at all times at least equal to the value of the cash paid out.

2. The assets received by an MMF as part of a reverse repurchase agreement shall be Money Market Instruments that fulfill the requirements set out in point A) above.

   The assets received by an MMF as part of a reverse repurchase agreement shall not be sold, reinvested, pledged or otherwise transferred.

3. Securitizations and ABCPs shall not be received by an MMF as part of a reverse repurchase agreement.

4. The assets received by an MMF as part of a reverse repurchase agreement shall be sufficiently diversified with a maximum exposure to a given issuer of 15 % of the MMF's NAV, except where those assets take the form of Money Market Instruments that fulfill the requirements of point 7.2, A), 7. hereafter. In addition, the assets received by an MMF as part of a reverse repurchase agreement shall be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.

5. An MMF that enters into a reverse repurchase agreement shall ensure that it is able to recall the full amount of cash at any time on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement shall be used for the calculation of the NAV of the MMF.

6. By way of derogation from paragraph 2 of this point F), an MMF may receive as part of a

reverse repurchase agreement liquid transferable securities or Money Market Instruments other than those that fulfill the requirements set out in point A) provided that those assets comply with one of the following conditions:

a) they are issued or guaranteed by the Union, a central authority or central bank of a Member State, the European Central Bank, the European Investment Bank, the European Stability Mechanism or the European Financial Stability Facility provided that a favourable assessment has been received pursuant to the Internal Credit Quality Assessment Policy;

b) they are issued or guaranteed by a central authority or central bank of a third country, provided that a favourable assessment has been received pursuant to the Internal Credit Quality Assessment Policy.

The assets received as part of a reverse repurchase agreement in accordance with the first subparagraph of this paragraph shall fulfill the requirements of point 7.2, A), 7. hereafter.

The expected proportion as well as the maximum proportion of assets under management that can be subject to such agreements are detailed in the Fact Sheet of each Sub-Fund.

**G) Units or shares of MMFs**

1. An MMF may acquire the units or shares of any other MMF ('targeted MMF') provided that all of the following conditions are fulfilled:

   a) no more than 10 % of the assets of the targeted MMF are able, according to its fund rules or instruments of incorporation, to be invested in aggregate in units or shares of other MMFs;

   b) the targeted MMF does not hold units or shares in the acquiring MMF.

   An MMF whose units or shares have been acquired shall not invest in the acquiring MMF during the period in which the acquiring MMF holds units or shares in it.

2. Units or shares of other MMFs shall be eligible for investment by an MMF provided that all of the following conditions are fulfilled:

   a) the targeted MMF is authorized under the MMFR;

   b) where the targeted MMF is managed, whether directly or under a delegation, by the same manager as that of the acquiring MMF or by any other company to which the manager of the acquiring MMF is linked by common management or control, or by a substantial direct or indirect holding, the manager of the targeted MMF, or that other company, is prohibited from charging subscription or redemption fees on account of the investment by the acquiring MMF in the units or shares of the targeted MMF;

3. By way of derogation from points c) and d) of section 7.2, A), 1. hereunder, an MMF may acquire units or shares in other MMFs in accordance with article 55 or 58 of Directive 2009/65/EC under the following conditions:

   a) the MMF is marketed solely through an employee savings scheme governed by national law and which has only natural persons as investors;

   b) the employee savings scheme referred to in point (a) only allows investors to redeem their investment subject to restrictive redemption terms which are laid down in national law, whereby redemptions may only take place in certain circumstances that are not linked to market developments.

4. Short-Term MMFs may only invest in units or shares of other Short-Term MMFs.

5. Standard MMFs may invest in units or shares of Short-Term MMFs and Standard MMFs.

6.2.2. An MMF may hold ancillary liquid assets.

6.2.3. An MMF shall not undertake any of the following activities:

a) investing in assets other than those referred to under section 6.2.1;

b) short sale of any of the following instruments: Money Market Instruments, securitizations, ABCPs and units or shares of other MMFs;

c) taking direct or indirect exposure to equity or commodities, including via derivatives, certificates representing them, indices based on them, or any other means or instrument that would give an exposure to them;

d) entering into securities lending agreements or securities borrowing agreements, or any other agreement that would encumber the assets of the MMF;

e) borrowing and lending cash.

# 7. Investment restrictions

## 7.1. Sub-Funds that do not qualify as MMF

7.1.1. a) A Sub-Fund may not:

- invest more than 10% of its assets in transferable securities or money market instruments other than those referred to in clause 6.1.1.,
- acquire precious metals or certificates representing precious metals.

A Sub-Fund may invest no more than 10% of its assets in transferable securities or money market instruments issued by the same entity.

A Sub-Fund may invest no more than 20% of its assets in deposits made with a single entity.

The counterparty risk of a Sub-Fund in an OTC derivatives transaction or efficient portfolio management techniques may not exceed 10% of its assets when the counterparty is one of the credit institutions referred to in clause 6.1.1. (f) or 5% of its assets in other cases.

Counterparties to these transactions are approved by the Management Company's risk management department and, when the transactions are initiated, have a minimum rating of BBB-/Baa3 from at least one recognised ratings agency or considered to be of equivalent quality by the Management Company. These counterparties are entities which are subject to prudential supervision and belong to the categories authorised by the CSSF (credit institution, investment company, etc.), and which specialise in this type of transaction. The counterparties are located in an OECD member state.

The SICAV may be party to agreements under the terms of which financial guarantees may be granted under the conditions set in clause 7.1.10.

Additional information on these financial derivative instruments, notably the identity of the one or more counterparties to the transactions, along with the type and the amount of financial guarantees received by the Sub-Fund, are shown in the annual report of the SICAV.

b) The total value of the transferable securities and money market instruments held by the Sub-Fund in the issuers in each of which it invests more than 5% of its assets must not exceed 40% of the value of its assets. This limit does not apply to deposits with financial institutions subject to prudential supervision or to OTC derivative transactions with such institutions.

Notwithstanding the individual limits established in clause 7.1.1. (a) above, a Sub-Fund may not combine, if this were to result in it investing more than 20% of its assets in a single entity, several of the following items:

- investments in transferable securities or money market instruments issued by this entity,
- deposits made with this entity, or
- exposures arising from OTC derivative transactions with this entity.

c) The 10% limit specified in clause 7.1.1 (a) above may be raised to a maximum of 35% if the transferable securities and money market instruments are issued or guaranteed by a Member State, by its local authorities, by a non-Member State of the EU or by public international bodies to which one or more Member States belong.

d) The 10% limit specified in clause 7.1.1 (a) above may be raised to a maximum of 25% in the case of certain bonds when these are issued by a credit institution which has its registered office in a Member State and which is subject by law to special supervision by the public authorities designed to protect bond-holders. In particular, the sums arising from the issue of these bonds must be invested, according to the legislation, in assets which, throughout the period of validity of the bonds, cover the claims arising from the bonds and which, in the event of the issuer's bankruptcy, would be used in priority for the repayment of the capital and the payment of accrued interest.

If a Sub-Fund invests more than 5% of its assets in the bonds as referred to in the preceding paragraph and issued by a single issuer, the total value of these investments may not exceed 80% of the asset value of this Sub-Fund.

e) The transferable securities and money market instruments referred to in clause 7.1.1. (c) and (d) above will not be taken into account for the purpose of applying the limit of 40% referred to in clause 7.1.1. (b).

The limits established in clause 7.1.1. (a), (b), (c) and (d) may not be combined: consequently, investments in transferable securities or money market instruments issued by a single entity, deposits or derivative instruments with this same entity, in accordance with clause 7.1.1. (a), (b), (c) and (d), may not exceed in total 35% of the assets of the Sub-Fund.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognized international accounting rules, are regarded as a single entity for the purpose of calculating the limits set down in this clause 7.1.1.

A Sub-Fund may cumulatively invest up to 20% of its assets in transferable securities and money market instruments within a single group.

7.1.2. By way of exception to the restrictions specified in clause 7.1.1., Sub-Funds whose investment policy is to replicate an equity or bond index (hereinafter a/the "benchmark") may raise the limits to a maximum of 20% for investments in equities and/or bonds issued by a single entity, provided that:

- the composition of the index is sufficiently diversified;
- the index adequately represents the market to which it refers;
- the index is published in an appropriate manner.

The 20% limit referred to above is raised to 35% if this proves to be justified by exceptional conditions on the markets, in particular, on regulated markets where certain transferable securities or certain money market instruments are largely dominant. Investing up to this limit is only authorized for a single issuer.

**7.1.3. As an exemption from the restrictions specified in clause 7.1.1. above, each Sub-Fund is authorized to invest, according to the principle of risk spreading, up to 100% of its net assets in different issues of transferable securities and money market instruments issued or guaranteed by a Member State, by its local authorities, by any member State of the OECD or by public international bodies to which one or more Member States of the EU belong. If a Sub-Fund exercises this latter option, it must hold transferable securities belonging to at least 6 different issues but securities belonging to the same issue may not exceed 30% of the total amount of the total net assets.**

7.1.4. a) A Sub-Fund may acquire units of the UCITS and/or other UCI stated under clause 6.1.1. (a), provided it does not invest more than 20% of its assets in a single UCITS or other UCI. For the purpose of applying this investment limit, each Sub-Fund of an umbrella UCI is regarded as a separate issuer, provided the principle of the segregation of the liabilities of the various Sub-Funds with regard to third parties is ensured.

b) Investments in units of UCI other than UCITS may not exceed in total 30% of the assets of a UCITS. Where a Sub-Fund has acquired units of UCITS and/or other UCI, the assets of those UCITS or other UCI are not combined for the purposes of calculating the limits set down in clause 1 above.

c) If a Sub-Fund invests in the units of another Sub-Fund of the SICAV or in the units of other UCITS and/or other UCI which are managed, directly or by delegation, by the Management Company or by any other company with which the Management Company is associated by common-management or control or by means of a significant direct or indirect shareholding, the Management Company or the other company may not charge subscription or redemption fees for the Sub-Fund's investment in the units of said other UCITS and/or other UCI.

7.1.5. a) The Sub-Funds may not acquire shares with voting rights allowing it to exercise a significant influence on the management of an issuer.

b) The Sub-Funds may not acquire more than:

- 10% of the non-voting shares of a single issuer,
- 10% of the debt securities of a single issuer,
- 10% of the money market instruments of a single issuer,
- 25% of the units of the same UCITS or other UCI.

The limits set down in the second, third and fourth indents of clause 7.1.5. (b) above may be disregarded at the time of acquisition if at that time the gross amount of the bonds or money market instruments, or the net amount of the securities in issue, cannot be calculated.

c) The limits set down in clauses 7.1.5. (a) and (b) above do not apply to:

- transferable securities and money market instruments issued or guaranteed by a Member State or by its local authorities;
- transferable securities and money market instruments issued or guaranteed by a non-Member State of the EU;
- transferable securities and money market instruments issued by public international bodies to which one or more Member States belong;
- shares held in the capital of a company incorporated in a non-Member State which invests its assets mainly in securities of issuing bodies having their registered office in that state, where under the legislation of that state, such holding represents the only way in which the SICAV, for each Sub-Fund, can invest in the securities of issuing bodies of that state and provided that the investment policy of the company complies with regulations governing risk diversification as well as restrictions with regard to control laid down therein;
- shares held in the capital of subsidiary companies which carry on the business of management, advice or marketing in the country/state where the subsidiary is established, in regard to the repurchase of the shares at the shareholder(s)' request, exclusively on its/their behalf.

7.1.6. a) The Sub-Funds may not borrow. However, a Sub-Fund may acquire currencies through back-to-back loans;

b) By way of derogation from clause (a):

- the Sub-Funds may borrow provided the loans are temporary and represent a maximum of 10% of their assets;
- the SICAV may borrow provided the loans afford the acquisition of immovable property essential to the direct exercise of its activities, and represent a maximum of 10% of its assets.

Where the Sub-Fund is authorized to borrow under the terms of clause (b) above, these loans will not exceed a total of 15% of its assets.

7.1.7. a) A Sub-Fund may not grant loans or stand as guarantor in respect of third parties.

b) Clause (a) will not prevent the Sub-Funds from acquiring the transferable securities, money market instruments

or other financial instruments referred to in clause 6.1.1. (a), (g) and (h), which are not fully paid-up.

7.1.8. A Sub-Fund may not short-sell transferable securities and money market instruments or other financial instruments referred to under clause 6.1.1 (a), (g) and (h),

7.1.9. a) The Sub-Funds need not necessarily follow the limits stated in this clause 7.1 when exercising the subscription rights relating to the transferable securities or money market instruments forming part of their assets.

While ensuring that the principle of risk distribution is followed, newly approved Sub-Funds may deviate from the provisions of clauses 7.1.1, 7.1.2, 7.1.3 and 7.1.4 for a period of six months from their approval date.

b) If the limits referred to in clause 7.1 are exceeded unintentionally by the Sub-Fund or as a result of the exercise of the subscription rights, the Sub-Fund's primary objective in its sales transactions will be to regularize this situation in the interests of the shareholders.

c) In the month preceding a closure, cancellation, liquidation or demerger transaction, and in the thirty days preceding a Sub-Fund merger, the investment policy of the Sub-Funds affected by these operations may be deviated from, as indicated in the Fact Sheets.

### 7.1.10. Management of financial guarantees for OTC derivative products and efficient portfolio management techniques

a) General criteria

All financial guarantees to reduce exposure to counterparty risk must at all times satisfy the following criteria:

- Liquidity: any financial guarantee received in a form other than cash will have a strong level of liquidity and will be traded on a regulated market or within the framework of a multilateral trading system making use of transparent price setting methods such that it can be quickly sold at a price close to the valuation prior to the sale.
- Valuation: the financial guarantee received will be valued on a daily basis and assets with highly volatile prices will only be accepted as financial guarantee if sufficiently prudent security margins are in place.
- Quality of issuer credit: the financial guarantee received must be of high quality.
- Correlation: the financial guarantee received must be issued by an entity which is independent of the counterparty and whose valuation is not strongly correlated with the counterparty's performance.
- Diversification: the financial guarantee must be sufficiently diversified in terms of the countries, markets and issuers (as regards net assets). As regards issuer diversity, the maximum exposure to an issuer through the financial guarantee received shall not exceed 20% of the net assets of the respective Sub-Fund. However, this limit is raised to 100% for securities issued or guaranteed by a member state of the European Economic Area ("EEA"), by its local authorities, by an OECD member country, or by public international bodies to which one or more member states of the EEA belong, as well as the USA. These issuers must be highly rated (in other words rated at least BBB-/ Baa3 by a recognised rating agency or regarded as such by the Management Company). If the Sub-Fund exercises this latter option, it must hold securities belonging to at least six different issues, with securities belonging to the same issue not exceeding 30% of the total amount of the net assets.

The management risks connected with financial guarantees, such as operational and legal risks, will be identified, managed and restricted by the risk management process.

The financial guarantee received should be capable of being fully enforced by the SICAV at any time without reference to or approval from the counterparty.

b) Types of authorized financial guarantee

- cash denominated in the reference currency of one of the OECD countries;
- good quality debt securities (rated at least **BBB-/Baa3 or equivalent** by one of the ratings agencies) issued by public sector issuers from an OECD country (states, supranational bodies) and of a minimum issue size of EUR 250,000,000 (two hundred and fifty million euro), and a maximum residual maturity of 30 years;
- good quality debt securities (rated at least **BBB-/Baa3 or equivalent** by one of the ratings agencies) issued by private sector issuers from an OECD country (states, supranational bodies) and of a minimum issue size of EUR 250,000,000 (two hundred and fifty million euro) , and a maximum residual maturity of 15 years;
- shares listed or traded on a regulated market of a Member State of the European Union or on a stock exchange of a state which is a member of the OECD provided the shares are included in a significant index;
- shares or units in undertakings for collective investment offering adequate liquidity and investing in money market instruments, high quality bonds or shares that meet the conditions stated above.

The risk management team of the Management Company may impose stricter criteria in terms of financial guarantees received and thereby exclude certain types of instruments, certain countries, certain issuers or even certain securities.

In the event of materialization of the counterparty risk, the SICAV could end up owning the financial guarantee received. If the SICAV may dispose of such guarantee at a value corresponding to the value of the loan/assets transferred, it would not bear negative financial consequences. Otherwise (if the value of assets received as a guarantee fell below the value of the assets loaned/transferred before they could be sold), it could incur a loss equal to the difference between the value of the assets loaned/transferred and the value of the guarantee once it is liquidated.

c) Level of financial guarantee

The Management Company has established a policy requiring a level of financial guarantees depending on the type of transaction.

The level of collateral required for over-the-counter financial instruments and efficient portfolio management techniques is determined by the agreements put in place with each of the counterparties, taking into account factors such as the nature and the characteristics of the transactions, the credit quality and the identity of the counterparties, and prevailing market conditions. At all times, the exposure of the counterparty not covered by the guarantee will remain below the counterparty risk limits set out in the Prospectus.

For repurchase and reverse repurchase transactions, the level of financial guarantees is 100% at the initiation of the transaction. If the collateralized amount falls below this level, it shall be adjusted in accordance with the minimum transferable amounts set in the agreements with the counterparties. In no case the counterparty risk shall exceed authorized regulatory limits.

For OTC derivatives: In the context of OTC transactions, certain sub-funds may hedge transactions by making cash margin calls in the currency of the sub-fund in compliance with the restrictions set out in section 7.1.1 of this Prospectus regarding counterparty risk.

Discounting policy

The Management Company has put in place a discounting policy suited to each category of assets received as financial guarantee.

For each of the categories of assets detailed below, the Management Company will apply the following discounts and reserves the right to apply additional discounts depending on market conditions:

| Asset category | Discount |
|---|---|
| Cash | 0% |
| Debt securities issued by public sector issuer | 0-3% |
| Debt securities issued by private sector issuer | 0-5% |
| Shares, UCI shares/units | 0-5% |

d) Restrictions on reinvestment of financial guarantees received

Financial guarantees received in cash can only be placed with those entities meeting the above eligibility criteria stated in clause 6.1.1. (f) of the Prospectus, invested in good quality government bonds, used for the purpose of repurchase transactions that can be recalled at any time and/or invested in short-term monetary funds, in accordance with the applicable diversification criteria. Although invested in assets with a low degree of risk, investments may nevertheless include a limited financial risk.

Non-cash financial guarantees may not be sold or reinvested or pledged.

e) <u>Custody of guarantees</u>

In the event of transfer of ownership, the guarantee received will be held by the Depositary or the sub-Depositaries. Other types of agreements giving rise to guarantees may be held by an external depositary subject to prudential supervision which is not connected to the supplier of the financial guarantees.
The guarantees received may be fully mobilised at any time without reference thereto to the counterparty or the need to obtain its agreement.

f) <u>Financial guarantee in favour of the counterparty.</u>

Certain derivative instruments may initially require collateral to be lodged in favour of the counterparty (cash and/or securities).

g) <u>Periodic investor information</u>

Further information on the use of these efficient portfolio management techniques is contained in the annual and semi-annual reports.

**7.1.11. Valuation**

a) <u>Reverse repurchase and repurchase agreements</u>

Reverse repurchase and repurchase agreements are valued at cost plus interest. For contracts exceeding three months, the credit spread of the counterparty may be revalued.

b) <u>Guarantees</u>

Collateral received is valued daily by the Management Company and/or the collateral agent. This valuation follows the valuation principles defined in this Prospectus with the application of haircuts based on the type of instruments.
Collateral provided is valued daily by the Management Company and/or the collateral agent.

**7.2. <u>Sub-Funds qualifying as MMF</u>**

**A. Diversification rules**

1. An MMF shall invest no more than:

   a) 5 % of its assets in Money Market Instruments, securitizations and ABCPs issued by the same body;

   b) 10 % of its assets in deposits made with the same credit institution;

   c) 17,5 %, in aggregate, of its assets in units or shares of other MMFs;

   d) 5 % of its assets in units or shares of a single MMF.

2. By way of derogation from point (a) of paragraph 1, a VNAV MMF may invest up to 10 % of its assets in Money Market Instruments, securitizations and ABCPs issued by the same body provided that the total value of such Money Market Instruments, securitizations and ABCPs held by the VNAV MMF in each issuing body in which it invests more than 5 % of its assets

does not exceed 40 % of the value of its assets.

3. The aggregate of all of an MMF's exposures to securitizations and ABCPs shall not exceed 20 % of the assets of the MMF, whereby up to 15 % of the assets of the MMF may be invested in securitizations and ABCPs that do not comply with the criteria for the identification of STS securitizations and ABCPs.

4. The aggregate risk exposure to the same counterparty of an MMF stemming from OTC derivative transactions which fulfill the conditions set out in point D) of section 6.2.1 shall not exceed 5 % of the assets of the MMF.

5. The aggregate amount of cash provided to the same counterparty of an MMF in reverse repurchase agreements shall not exceed 15 % of the assets of the MMF.

6. Notwithstanding the individual limits laid down in paragraphs 1 and 4, an MMF shall not combine, where to do so would result in an investment of more than 15 % of its assets in a single body, any of the following:

   a) investments in Money Market Instruments, securitizations and ABCPs issued by that body;

   b) deposits made with that body;

   c) OTC financial derivative instruments giving counterparty risk exposure to that body.

**7. By way of derogation from point a) of paragraph 1, each MMF is authorized to invest, in accordance with the principle of risk-spreading, up to 100 % of its assets in different Money Market Instruments issued or guaranteed separately or jointly by the EU, the national, regional and local administrations of the Member States or their central banks, the European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Facility, a central authority or central bank of a member state of the OECD, of the G20 or Singapore, the International Monetary Fund, the International Bank for Reconstruction and Development, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the Bank for International Settlements, or any other relevant international financial institution or organization to which one or more Member States belong.**

   If a Sub-Fund exercises this latter option, it must hold transferable securities belonging to at least six different issues by the issuer but securities belonging to the same issue may not exceed 30% of the total amount of the net assets.

8. Notwithstanding the individual limits laid down in paragraph 1, an MMF may invest no more than 10 % of its assets in bonds issued by a single credit institution that has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. In particular, sums deriving from the issue of those bonds shall be invested in accordance with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.

   Where an MMF invests more than 5 % of its assets in the bonds referred to in the first subparagraph issued by a single issuer, the total value of those investments shall not exceed 40 % of the value of the assets of the MMF.

9. Notwithstanding the individual limits laid down in paragraph 1, an MMF may invest no more than 20 % of its assets in bonds issued by a single credit institution where the requirements

set out in point (f) of article 10(1) or point (c) of article 11(1) of Commission Delegated Regulation (EU) 2015/61 are met, including any possible investment in assets referred to in paragraph 8 above.

Where an MMF invests more than 5 % of its assets in the bonds referred to in the first subparagraph issued by a single issuer, the total value of those investments shall not exceed 60 % of the value of the assets of the MMF, including any possible investment in assets referred to in paragraph 8, respecting the limits set out therein.

10. Companies which are included in the same group for the purposes of consolidated accounts under Directive 2013/34/EU or in accordance with recognized international accounting rules, shall be regarded as a single body for the purpose of calculating the limits referred to in paragraphs 1 to 6 above.

**B. Concentration rules**

1. An MMF shall not hold more than 10 % of the Money Market Instruments, securitizations and ABCPs issued by a single body.

2. The limit laid down in paragraph 1 shall not apply in respect of holdings of Money Market Instruments referred to in section 6.2.1 A) 4. of the Chapter Investment Policy above.

**C. Portfolio rules of MMFs**

1. Short-Term MMFs

A Short-Term MMF shall comply on an ongoing basis with all of the following portfolio requirements:

a) its portfolio is to have a WAM of no more than 60 days;

b) its portfolio is to have a WAL of no more than 120 days, without prejudice to the provisions of MMFR relating to the calculation of the WAL;

c) for a Short-Term VNAV MMF, at least 7,5 % of its assets are to be comprised of daily maturing assets, reverse repurchase agreements which are able to be terminated by giving prior notice of one working day, or cash which is able to be withdrawn by giving prior notice of one working day. A Short-Term VNAV MMF is not to acquire any asset other than a daily maturing asset when such acquisition would result in that MMF investing less than 7,5 % of its portfolio in daily maturing assets;

d) for a Short-Term VNAV MMF, at least 15 % of its assets are to be comprised of weekly maturing assets, reverse repurchase agreements which are able to be terminated by giving prior notice of five working days, or cash which is able to be withdrawn by giving prior notice of five working days. A Short-Term VNAV MMF is not to acquire any asset other than a weekly maturing asset when such acquisition would result in that MMF investing less than 15 % of its portfolio in weekly maturing assets.

e) for the purpose of the calculation referred to in point d), Money Market Instruments or units or shares of other MMFs may be included within the weekly maturing assets of a Short-Term VNAV MMF up to a limit of 7,5 % of its assets provided they are able to be redeemed and settled within five working days.

If the limits referred to above are exceeded for reasons beyond the control of a Short-Term VNAV MMF, or as a result of the exercise of subscription or redemption rights, that Short-Term VNAV MMF shall adopt as a priority objective the correction of that situation, taking due account of the interests of its shareholders.

2. Standard MMFs

A Standard MMF shall comply on an ongoing basis with all of the following requirements:

a) its portfolio is to have at all times a WAM of no more than 6 months;

b) its portfolio is to have at all times a WAL of no more than 12 months, without prejudice to the provisions of MMFR relating to the calculation of the WAL;

c) at least 7,5 % of its assets are to be comprised of daily maturing assets, reverse repurchase agreements which can be terminated by giving prior notice of one working day or cash which can be withdrawn by giving prior notice of one working day. A Standard MMF is not to acquire any asset other than a daily maturing asset when such acquisition would result in that MMF investing less than 7,5 % of its portfolio in daily maturing assets;

d) at least 15 % of its assets are to be comprised of weekly maturing assets, reverse repurchase agreements which can be terminated by giving prior notice of five working days or cash which can be withdrawn by giving prior notice of five working days. A Standard MMF is not to acquire any asset other than a weekly maturing asset when such acquisition would result in that MMF investing less than 15 % of its portfolio in weekly maturing assets;

e) for the purpose of the calculation referred to in point d), Money Market Instruments or units or shares of other MMFs may be included within the weekly maturing assets up to 7,5 % of its assets provided they are able to be redeemed and settled within five working days.

If the limits referred to above are exceeded for reasons beyond the control of a Standard MMF, or as a result of the exercise of subscription or redemption rights, that Standard MMF shall adopt as a priority objective the correction of that situation, taking due account of the interests of its shareholders.

**D. Management of financial guarantees received by Sub-Funds qualifying as MMFs**

**The present paragraph relating to financial guarantees that can be received by a Sub-Fund qualifying as MMF also applies to repurchase and reverse repurchase agreements as long as these provisions are not incompatible with the provisions under section 6.2.1 points E) and F).**

General criteria

All financial guarantees to reduce exposure to counterparty risk must at all times satisfy the following criteria:

- Liquidity: any financial guarantee received in a form other than cash will have a strong level of liquidity and will be traded on a regulated market or within the framework of a multilateral trading system making use of transparent price setting methods such that it can be quickly sold at a price close to the valuation prior to the sale.

- Valuation: the financial guarantee received will be valued on a daily basis and assets with highly volatile prices will only be accepted as financial guarantee if sufficiently prudent security margins are in place.

- Quality of issuer credit: the financial guarantee received must be of high quality.

- Correlation: the financial guarantee received must be issued by an entity which is independent of the counterparty and whose valuation is not strongly correlated with the counterparty's performance.

- Diversification: the financial guarantee must be sufficiently diversified in terms of the countries, markets and issuers (as regards net assets). As regards issuer diversity, the maximum exposure to an issuer through the financial guarantee received shall not exceed 15% of the net assets of the respective Sub-Fund. However, this limit is raised to 100% for securities issued or guaranteed by a member state of the European Economic Area ("EEA"), by its local authorities, by an OECD member country, or by public international bodies to which one or more member states of the EEA belong, as well as the USA. These issuers must be highly rated (in other words rated at least BBB-/ Baa3 by a recognized rating agency or regarded as such by the Management Company). If the Sub-Fund exercises this latter option, it must hold securities belonging to at least six different issues by the issuer, with securities belonging to the same issue not exceeding 30% of the total amount of the net assets.

The management risks connected with financial guarantees, such as operational and legal risks, will be identified, managed and restricted by the risk management process.

The financial guarantee received should be capable of being fully enforced by the SICAV at any time without reference to or approval from the counterparty.

a) Types of authorized financial guarantee

- cash denominated in the reference currency of one of the OECD countries;

- good quality debt securities (rated at least **BBB-/Baa3 or equivalent** by one of the ratings agencies) issued by public sector issuers from an OECD country (states, supranational bodies) and of a minimum issue size of EUR 250,000,000 (two hundred and fifty million euro), and a maximum residual maturity of 30 years;

- good quality debt securities (rated at least **BBB-/Baa3 or equivalent** by one of the ratings agencies) issued by private sector issuers from an OECD country (states, supranational bodies) and of a minimum issue size of EUR 250,000,000 (two hundred and fifty million euro) , and a maximum residual maturity of 15 years; and

- shares or units in undertakings for collective investment offering adequate liquidity and investing in Money Market Instruments or high quality bonds.

The risk management team of the Management Company may impose stricter criteria in terms of financial guarantees received and thereby exclude certain types of instruments, certain countries, certain issuers or even certain securities.

In the event of materialisation of the counterparty risk, the SICAV could end up owning the financial guarantee received. If the SICAV may dispose of such guarantee at a value corresponding to the value of the loan/assets transferred, it would not bear negative financial consequences. Otherwise (if the value of assets received as a guarantee fell below the value of the assets loaned/transferred before they could be sold), it could incur a loss equal to the difference between the value of the assets loaned/transferred and the value of the guarantee once it is liquidated.

b) Level of financial guarantee

The Management Company has put in place a policy which requires a level of financial guarantee based on the type of transactions as follows:

- repurchase agreements and reverse repurchase agreements: 100% of the value of the assets transferred;

- OTC financial derivative instruments: some Sub-Funds may cover operations by making cash margin calls in the currency of the Sub-Fund in accordance with the restrictions laid down in clause 7.2 of the present Prospectus as regards the counterparty risk.

c) Discounting policy

The Management Company has put in place a discounting policy suited to each category of assets received as financial guarantee.

For each of the categories of assets detailed below, the Management Company will apply the following discounts and reserves the right to apply additional discounts depending on market conditions:

| Asset category | Discount |
|---|---|
| Cash | 0% |
| Debt securities issued by public sector issuer | 0-3% |
| Debt securities issued by private sector issuer | 0-5% |
| UCIs shares/units | 0-5% |

d) Restrictions on reinvestment of financial guarantees received

Financial guarantees received in cash can only be placed with those entities meeting the above eligibility criteria stated in clause 6.2.1. C) of the Prospectus, invested in good quality government bonds, used for the purpose of repurchase transactions that can be recalled at any time and/or invested in Short-Term MMFs, in accordance with the applicable diversification criteria. Although invested in assets with a low degree of risk, investments may nevertheless include a limited financial risk.

Non-cash financial guarantees may not be sold or reinvested or pledged.

e) Custody of guarantees

In the event of transfer of ownership, the guarantee received will be held by the Depositary or the sub-Depositaries. Other types of agreements giving rise to guarantees may be held by an external depositary subject to prudential supervision which is not connected to the supplier of the financial guarantees.

The guarantees received may be fully mobilized at any time without reference thereto to the counterparty or the need to obtain its agreement.

f) Financial guarantee in favour of the counterparty.

Certain derivative instruments may initially require collateral to be lodged in favour of the counterparty (cash and/or securities).

g) <u>Periodic investor information</u>

Further information on the use of repurchase and reverse repurchase agreements is contained in the annual and semi-annual reports.

h) <u>Valuation</u>

- Reverse repurchase and repurchase agreements

Reverse repurchase and repurchase agreements are valued at cost plus interest. For contracts exceeding three months, the credit spread of the counterparty may be revalued.

- Guarantees

Collateral received is valued daily by the Management Company and/or the collateral agent. This valuation follows the valuation principles defined in this Prospectus with the application of haircuts based on the type of instruments.

Collateral provided is valued daily by the Management Company and/or the collateral agent.

## 8. Risk factors

The SICAV's Sub-Funds may be exposed to various risks depending on their investment policy. The principal risks to which the Sub-Funds may be exposed are shown below. However, the risk descriptions below do not purport to be exhaustive and potential investors should take note firstly of the whole of this Prospectus and secondly of the "Risk and Return Profile" section shown in the key investor information document. It is also recommended that investors consult their professional advisors before investing. In addition, each Fact Sheet states the non-marginal risks to which the respective Sub-Fund may be exposed.

The net asset value of a Sub-Fund may rise or fall and shareholders may not receive back the amount invested or obtain any return on their investment.

- **Risk of loss of capital**: there is no guarantee for investors relating to the capital invested, and investors may not receive back the full amount invested.
- **Liquidity risk:** liquidity risk is the risk that a position in a Sub-Fund's portfolio cannot be sold, liquidated or closed at a limited cost and within a sufficiently short time, thus jeopardizing the Sub-Fund's ability to comply at any time with its obligations to redeem the shares of investors at their request. On certain markets (in particular emerging and high-yield bonds, and equities with low market capitalization), the quotation spreads may widen under less favourable market conditions, which could impact the net asset value when assets are purchased or sold. Furthermore, in the event of a crisis on these markets, the securities could also become difficult to trade.
- **Interest rate risk**: a change in interest rates, resulting notably from inflation, may cause a risk of losses and reduce the net asset value of the Sub-Fund (particularly in the event of a rate increase if the Fund has a positive rate sensitivity and in the event of a rate decline if the Fund has a negative rate sensitivity). Long term bonds (and related derivatives) are more sensitive to interest rate variations. A change in inflation, in other words a general rise or fall in the cost of living, is one of the factors potentially affecting interest rates and consequently the NAV.
- **Credit risk:** risk that an issuer or a counterparty will default. This risk includes the risk of changes in credit spreads and default risk.

  Some Sub-Funds may be exposed to the credit market and/or particular issuers whose prices will change based on the expectations of the market as regards their ability to repay their debt. These Sub-Funds may also be exposed to the risk that a selected issuer will default, i.e. will be unable to honor its debt repayment, in the form of coupons and/or principal. Depending on whether the Sub-Fund is positively or negatively positioned on the credit market and/or some issuers in particular, an upward or downward movement of the credit spreads, or a default, may negatively impact the net asset value. The Management Company will under no circumstances rely exclusively on external ratings in determining the credit risk of a financial instrument.

This risk could be much higher for the Sub-Funds investing in high-yield debt issues whose issuers are considered risky.

- **Equity risk**: Investments in common stocks and other equity securities are particularly subject to the risk of changing economic, stock market, industry and company conditions and the risks inherent in the portfolio managers' ability to anticipate such changes that can adversely affect the value of the SICAV's holdings. Opportunity for greater gain often comes with greater risk of loss.
- **Concentration risk**: risk related to a significant concentration of investments in a specific asset class or certain markets. This means that changes in these assets or these markets have a significant impact on the Sub-Fund's portfolio value. The greater the diversification of the Sub-Fund's portfolio, the lesser the risk of concentration. This risk is also greater for instance on more specific markets (certain regions, sectors or themes) than on broadly diversified markets (worldwide distribution).
- **Foreign exchange risk**: foreign exchange risk derives from the Sub-Fund's direct investments and its investments in forward financial instruments, resulting in exposure to a currency other than the Sub-Fund's valuation currency. Changes in the exchange rate of this currency in relation to that of the Sub-Fund may negatively affect the value of assets in the portfolio.
- **Counterparty risk**: the Sub-Funds may use OTC derivative products and/or efficient portfolio management techniques. These transactions may cause counterparty risk, i.e. losses incurred in connection with commitments contracted with a defaulting counterparty.
- **Emerging countries risk**: market movements can be stronger and faster on these markets than on the developed markets, which could cause the net asset value to fall in the event of adverse movements in relation to the positions taken. Sectoral concentration risks may also be prevalent on some emerging markets. These risks may also heighten volatility. Emerging countries can experience serious political, social, legal and fiscal uncertainties or other events that could impact negatively on the Sub-Funds investing in them. In addition, local custody services remain underdeveloped in many non-OECD and emerging market countries and there is a transaction and custody risk involved in dealing in such markets. In certain circumstances, a Sub-Fund may not be able to recover or may encounter delays in the recovery of some of its assets.
- **Derivatives risk**: derivatives are investments whose value depends on (or is derived from) the value of an underlying instrument, such as a security, asset, reference rate or index. Derivative strategies often involve leverage, which may exaggerate a loss, potentially causing the Sub-Fund to lose more money than it would have lost had it invested in the underlying instrument. Derivatives may be difficult to sell, unwind or value. Derivatives may also be subject to counterparty risk, which is the risk that the counterparty (the party on the other side of the transaction) on a derivative transaction will be unable to honor its contractual obligations to the Sub-Fund. Futures may be more volatile than direct investments in the instrument underlying the futures, and may not correlate perfectly to the underlying instrument. Futures also may involve a small initial investment relative to the risk assumed, which could result in losses greater than if they had not been used. Due to fluctuations in the price of the underlying security, the Sub-Fund may not be able to profitably exercise an option and may lose its entire investment in an option. Swap transactions tend to shift the Sub-Fund's investment exposure from one type of investment to another, and therefore entail the risk that a party will default on its payment obligations to the Sub-Fund.
- **Delivery risk**: a Sub-Fund may want to liquidate assets which at that time are subject to a transaction with a counterparty. In this case, the Sub-Fund would recall these assets from the counterparty. Delivery risk is the risk that the counterparty, although contractually obliged,

may not be able in operational terms to return the assets quickly enough to allow the Sub-Fund to honor the sale of these instruments on the market.

- **Model risk**: the management process of some Sub-Funds relies on establishing a model which is used to identify signals based on past statistical results. There is a risk that the model is inefficient and that the strategies used will produce a poor performance. There is no guarantee that past market situations will be reproduced in the future.
- **Risk of conflicts of interest**: selection of a counterparty based on reasons other than the sole interest of the SICAV and/or unequal treatment in the management of similar portfolios could be the main sources of conflicts of interest.
- **Share class hedging risk**: the SICAV may make available "Currency Hedged Shares" and "Interest Rate Hedged Shares" in certain of the Sub-Funds. Investors should be aware that a variety of techniques will be utilized in order to implement the required hedging and that such techniques involve different risks. Any costs incurred as a result of the implementation of such hedging will be borne by the relevant Share Class. There can be no assurance or guarantee that the portfolio manager will be able to fully hedge or be successful in hedging the relevant risks on the Share Class.
- **Risk associated with external factors**: uncertainty about the sustainability of some external environmental factors (such as tax regime or regulatory changes) that may have an impact on the SICAV's activities. The SICAV may be subject to a number of legal and regulatory risks, including contradictory interpretations or applications of laws, incomplete, unclear and changing laws, restrictions on general public access to regulations, practices and customs, ignorance or breaches of laws on the part of counterparties and other market participants, incomplete or incorrect transaction documents, lack of established or effective avenues for legal redress, inadequate investor protection, or lack of enforcement of existing laws. Difficulties in asserting, protecting and enforcing rights may have a material adverse effect on the Sub-Funds and their operations. In particular, tax regulations may be frequently modified or subject to controversial interpretation resulting in an increase of tax charge borne by the investor or borne by the SICAV on its assets, income, capital gain, financial transactions or service fee paid to or received from service providers.
- **Index tracking risk:** the performance of the Sub-Fund may not match the performance of the index. This may be the result of market fluctuations, changes in the index composition, transaction costs, the Fund's portfolio turnover costs and other Sub-Fund expenses, etc.
- **Volatility risk**: a Sub-Fund may be exposed (taking directional positions or using arbitrage strategies for example) to market volatility risk and could therefore, based on its exposure, suffer losses in the event of changes in the volatility level of these markets.
- **Delivery risk:** the Sub-Fund may want to liquidate assets which at that time are subject to a transaction with a counterparty. In this case, the Sub-Fund would recall these assets from the counterparty. Delivery risk is the risk that the counterparty, although contractually obliged, may not be able in operational terms to return the assets quickly enough to allow the Sub-Fund to honour the sale of these instruments on the market.
- **Operational risk**: Operational risk encompasses the risks of direct or indirect loss related to a number of factors (eg human errors, fraud and malicious acts, information system failures and external events, etc.) that could have an impact on the Sub-Fund and / or the investors. The Management Company aims to reduce this risk through the implementation of controls and procedures.
- **Conservation risk:** the risk of loss of assets held by a custodian as a result of the insolvency, negligence or fraudulent acts of the custodian or a sub-custodian. This risk is mitigated by the regulatory obligations of the depositaries.
- **Legal risk:** the risk of litigation of any kind with a counterparty or a third party. The Management Company aims to reduce this risk through the implementation of controls and procedures.

- **Risk associated with investing in Contingent Convertible Bonds ("CoCos"):**
  CoCos – or subordinated contingent capital securities – are instruments issued by banking institutions to increase their equity capital buffers in order to comply with new banking regulations which require them to increase their capital margins.

  - **Trigger threshold risk:** these debt securities are automatically converted into shares or depreciated (loss of interest and/or capital) when predefined trigger thresholds are reached, as, for example, in the case of non-compliance with the minimum level of capital required for the issuer.

  - **Capital structure inversion risk**: contrary to the classic capital hierarchy, CoCos investment may be exposed to the risk of loss of capital while equity holders may not.

  - **Discretionary coupon cancellation**: coupon payments are entirely discretionary and may be cancelled by the issuer at any point.

  - **Risk associated with the innovative structure of CoCos:** given the lack of past experience with these instruments, it is uncertain how they will perform under certain market conditions (for example, a general problem with the asset class).

  - **Deferred redemption risk**: While CoCos are perpetual instruments, they may, however, be redeemed on a determined date ("date of call") and at a predetermined level with the approval of the competent authority. There is, however, no guarantee that CoCos will be repaid on the scheduled date or that they will ever be repaid. Consequently, the Sub-Fund may never recover its investment.
  - Investments are often made in these types of instruments because of their attractive return, owing to the complexity involved, which only a well-informed investor may be in a position to understand.

- **Risk associated with Chinese A equities**: in addition to the emerging country risk mentioned above, Chinese A equities also come with the following specific risks:

  - Risks associated with entry and exit restrictions and limited liquidity:

    Chinese A equities are accessible only to certain investors who use a special market access system (a trading and clearing system), the Stock Connect between the stock exchanges of Hong Kong and Shanghai and/or through any similar acceptable securities trading and clearing linked program or access instruments which may be available to the Fund in the future (“Stock Connect”). As these entry conditions restrict the volumes exchanged and the stock market capitalizations, and therefore liquidity of the securities, they can accentuate the fluctuations (both upwards and downwards) and could be the subject of ill-defined regulatory changes. Restrictions on the repatriation of financial flows abroad cannot be excluded, for instance. A equities are also restricted in share ownership terms, particularly as regards the maximum proportion of foreign shareholders.

    As a result, regardless of the wishes of the asset manager:
    - increasing positions may prove impossible,
    - sales could be mandatory and entail losses,
    - sales could prove temporarily impossible, thereby exposing the Sub-Fund to unexpected risks, in extreme cases even preventing it from immediately honoring redemption requests from shareholders.

    Shareholders can find additional information on the following website: http://www.hkex.com.hk/eng/market/sec_tradinfra/chinaconnect/chinaconnect.htm.

- Risks associated with trading and custody arrangements:

  The Stock Connect program that provides access to the Chinese A stock market does not meet all the standard criteria applicable to developed markets as regards the trading, clearing and custody of securities. It is subject to regulatory and operational evolutions, such as by way of non-restricting example, restrictions of volumes or changes in the conditions of investor eligibility and/or of the securities that are traded there. The trading days are also subject to the opening of several markets (China and Hong-Kong). These factors could act as a brake on investing and especially disinvesting quickly on this market segment. Meanwhile the Sub-Fund could see the value of its securities change unfavorably.

  Besides, the valuation of some securities could be temporarily uncertain (particularly in the case of suspension of trading) and the Board of Directors of the SICAV could then obliged to value the securities concerned on the basis of the information in its possession.

- **Risk of changes made to the reference index by the index provider**: The attention of shareholders is hereby drawn to the complete discretion of the reference index provider to decide upon and so amend the features of the relevant reference index for which it acts as sponsor. Depending on the terms of the relevant license agreement, an index provider may have no obligation to provide the license holders who use the relevant reference index (including the SICAV) with adequate prior notice of any changes which are made to such reference index. As a consequence, the SICAV shall not necessarily be able to inform the shareholders of the Sub-Fund in advance of any such changes made by the relevant index provider to the features of the relevant reference index.
- **Bond Connect Risk**

  A Sub-Fund may purchase fixed income securities which trade on the Mainland China Interbank Bond Market ("CIBM") through Bond Connect ("Bond Connect Securities"). Bond Connect is a mutual bond market access link established between Hong Kong and the People's Republic of China ("PRC") which facilitates investment in the CIBM through mutual access and connection arrangements in respect of trading, custody and settlement between the related financial infrastructure institutions of Hong Kong and the PRC. To the extent that a Sub-Fund's investments in China are made through Bond Connect, such investments may be subject to additional risk factors.

  The trading and settlement currency of Bond Connect Securities are in RMB and the Sub-Fund will be exposed to currency risks due to the conversion of another currency into RMB.

  Under the prevailing regulations in the PRC, eligible foreign investors who wish to invest in Bond Connect Securities may do so via an offshore custody agent approved by the Hong Kong Monetary Authority ("Offshore Custody Agent"), who will be responsible for the account opening with the relevant onshore custody agent approved by the People's Bank of China. As the account opening for investment in the CIBM market via Bond Connect has to be carried out via an Offshore Custody Agent, the relevant Sub-Fund is subject to the risks of default or errors on the part of the Offshore Custody Agent.

  Trading in Bond Connect Securities may be subject to clearing and settlement risk. If the PRC clearing house defaults on its obligation to deliver securities / make payment, the Fund may suffer delays in recovering its losses or may not be able to fully recover its losses.

  Investments through Bond Connect are not subject to any quota but the relevant authorities may suspend account opening or trading via Bond Connect, the relevant Sub-Fund's ability to invest in CIBM will be limited, and the relevant Sub-Fund may not be able to effectively pursue its investment strategy or it may have an adverse effect on the relevant Sub-Fund's performance as the relevant Sub-Fund may be required to dispose of its CIBM holdings. The relevant Sub-Fund may also suffer losses as a result.

The Sub-Funds' Bond Connect Securities will be held in accounts maintained by the Central Moneymarkets Units ("CMU") as central securities depositary in Hong Kong and nominee holder. Because CMU is only a nominee holder and not the beneficial owner of Bond Connect Securities, in the unlikely event that CMU becomes subject to winding up proceedings in Hong Kong, investors should note that Bond Connect Securities will not be regarded as part of the general assets of CMU available for distribution to creditors even under PRC law. However, CMU will not be obliged to take any legal action or enter into court proceedings to enforce any rights on behalf of investors in Bond Connect Securities in the PRC. A failure or delay by the CMU in the performance of its obligations may result in a failure of settlement, or the loss, of Bond Connect Securities and/or monies in connection with them and the Fund and its investors may suffer losses as a result. Neither the Fund nor the Investment Manager shall be responsible or liable for any such losses.

A Sub-Fund's title or interests in, and entitlements to Bond Connect Securities (whether legal, equitable or otherwise) will be subject to applicable requirements, including laws relating to any disclosure of interest requirement or foreign bondholding restriction, if any. It is uncertain whether the Chinese courts would recognise the ownership interest of the investors to allow them standing to take legal action against the Chinese entities in case disputes arise.

Bond Connect Securities may be recalled from the scope of eligible bonds for trading through Bond Connect for various reasons, and in such event such Bond Connect Securities can only be sold but are restricted from being bought. This may affect the investment portfolio or strategies of the Sub-Fund.

Transactions using Bond Connect are not subject to the Hong Kong investor compensation fund or the China Securities Investor Protection Fund.

Investments in Bond Connect Securities are subject to various risks associated with the legal and technical framework of Bond Connect. Due to differences in public holidays between Hong Kong and the PRC or other reasons such as bad weather conditions, there may be a difference in trading days and trading hours in the markets accessible through Bond Connect. Bond Connect will only operate on days when those markets are open for trading and when banks in those markets are open on the corresponding settlement days. As such, it is possible that there are occasions when it is a normal trading day for the PRC market but it is not possible to carry out any Bond Connect Securities trading in Hong Kong Investments in Bond Connect Securities are subject to the risks associated with investing in China generally. For further information please see Investing in China Risk above.

- **Sustainability Risk:** The sustainability risk refers to any environmental, social or governance event or condition that could affect the performance and / or the reputation of issuers in the portfolio.

  The sustainability risks can be divided in the following 3 categories:

  - Environmental: environmental events can create physical risks for companies in portfolio. These events could for instance result from the consequences of climate change, loss of biodiversity, change in ocean chemistry, etc. Further to physical risks, companies could also be negatively impacted by mitigation measures adopted in order to address environmental risks. Such mitigation risks will impact companies differently depending on their exposure to aforementioned risks and their adaptation to them.

  - Social: refers to risk factors related to human capital, supply chain and the way companies manage their impact on society. Questions around gender equality, remuneration policies, health and safety and risks associated with working conditions in general are addressed under the Social dimension. Risks of human or labour right violations within the supply chain are also part of the Social dimension.

- Governance: Those aspects are linked to governance structures such as, board independence, management structures, employee relations, remuneration and fiscal compliance or practices. Governance related risks have in common that they stem from a failure of company oversight and/or the lack of incentive for company management to uphold high governance standards.

The sustainability risk may be issuer specific, in line with their activities and practices, but may also be due to external factors. If an unexpected event occurs for a specific issuer such as workforce strike, or more globally such as an environmental disaster it may have negative impact on portfolio performance, on the other hand issuers adapting their activities and/or policies might be less exposed to sustainability risk.

In order to manage risk exposure mitigations measures might be the following :
- exclusion of controversial activities or issuers
- exclusion of issuers based on sustainable criteria
- integration of sustainability risks in the issuer selection or issuer weight in the portfolio
- issuer engagement and stewardship

Those mitigation measures, if applicable, are described in the prospectus investment policy section and/or the factsheet of each sub fund.

▪ **ESG investment risk**: ESG investment risk refers to the risks arising from the inclusion of ESG factors in the management process, such as the exclusion of activities or issuers and the inclusion of sustainability risks in the selection and/or allocation of issuers in the portfolio. The greater the consideration given to these factors, the higher the ESG investment risk will be.

The methodology is based on the definition of ESG sector models by Candriam's internal ESG analysts. Limitations to Candriam's research are largely related to the nature, scope and consistency of ESG data currently available.

- Nature: Some ESG dimensions are better suited to qualitative narrative information. This information is subject to interpretation and therefore introduces a degree of uncertainty into the models.

- Scope: Having defined the ESG dimensions that the analysts consider important for each sector, there is no guarantee that the data will be available for all companies in that sector. Wherever possible, Candriam will seek to supplement missing data with its own ESG analysis.

- Homogeneity: the different providers of ESG data have different methodologies. Even within the same supplier, similar ESG dimensions may be treated differently depending on the sector. This makes it more difficult to compare data from different suppliers.

The lack of common or harmonized definitions and labels integrating ESG and sustainability criteria at EU level may result in different approaches by managers when setting ESG objectives and determining that these objectives have been met by the funds they manage.

The methodology excludes or limits exposure to securities of certain issuers for ESG reasons. Therefore, potential market circumstances may generate financial opportunities that might not be exploited by the Sub-Fund.
Where applicable, the exclusion or integration measures relating to ESG investment risk are described in the investment policy section of the prospectus and/or in the factsheet of each sub-fund.

# 9. Risk Management

The Management Company has put in place a system of risk management procedures in order to measure the risk of the positions and their contribution to the overall risk of the portfolio.

The method of determining the overall risk is established on the basis of the investment policy and strategy of each Sub-Fund (and, in particular, on the basis of the use of derivative financial instruments).

One of the two methods below is used to monitor the overall risk: commitment method or the value at risk method. The method used is stated in the Fact Sheet of each Sub-Fund.

a) Commitment method

This method consists in converting the derivative financial instruments into equivalent positions in the underlying assets (where applicable, based on their respective sensitivity). This conversion may, if necessary, be replaced by the notional value.

A derivative financial instrument will not be accounted for in the calculation of the overall risk in the following situations:

- if the simultaneous holding of this instrument linked to a financial asset and cash invested in risk-free assets is equivalent to the direct holding of the financial asset in question;
- if this financial instrument exchanges the performance of the financial assets held in the portfolio for the performance of other benchmark financial assets (at no additional risk relative to the direct holding of the benchmark financial assets).

The Sub-Fund may offset buying and selling positions in derivative financial instruments concerning identical underlying assets, regardless of the maturity of the contracts. Furthermore, offsetting is also permitted between derivative instruments and directly held assets, provided the two positions concern the same asset or assets whose historic yields are closely correlated. Offsetting may be in terms of market value or in terms of risk indicator.

The global risk assumed by the SICAV's Sub-Funds may not exceed 210% of the net asset value.

b) Value at risk (VaR) method

A VaR model is used to quantify the maximum potential loss that could be incurred by the Sub-Fund's portfolio under normal market conditions. This loss is estimated for a given period of time (holding period of 1 month) and a given confidence interval (99%).

The VaR may be calculated as an absolute or a relative value:

- Relative VaR limit

  The overall risk arising from all the portfolio positions calculated through the VaR may not exceed twice the VaR of a benchmark portfolio with the same market value as the Sub-Fund. This management limit applies to all Sub-Funds for which a benchmark portfolio may be adequately defined. For the Sub-Funds in question, the benchmark portfolio is mentioned in the Fact Sheets.

- Absolute VaR limit

  The overall risk of all the portfolio positions calculated through the VaR may not exceed an absolute VaR of 20%. This VaR must be calculated on the basis of an analysis of the investment portfolio.

  If the overall risk is calculated via the VaR method, the expected leverage level and the possibility of a higher leverage level is referred to in the Fact Sheet of the Sub-Fund in question.

## 10. The shares

From the time of their issue, the shares of the SICAV participate equally in the profits and any dividends of the SICAV and the proceeds of its liquidation. Shares do not carry any preferential or pre-emptive rights and each whole share, regardless of its net asset value, carries the rights to one vote at any general meeting of shareholders. Shares must be fully paid-up and are issued at no par value.

There is no restriction as to the number of shares issued. In the event of liquidation, each share carries the right to a pro rata amount of the net liquidation proceeds.

The SICAV offers different Share Classes per Sub-Fund. Details of these are mentioned in the Fact Sheet of each Sub-Fund.

The shares of each Share Class shall be in registered form only. Shares may also be held and transferred through accounts maintained with clearing systems.

No certificate representing their shares will be issued. Instead, the SICAV may issue a written confirmation of entry in the register if so requested by the shareholder.

Fractions of shares divided into thousandths may be issued.

## 11. Listing of shares

The shares may be listed on an official stock exchange, as decided by the Board of Directors.

## 12. Issue of shares and subscription and payment procedures

The Board of Directors is authorized to issue an unlimited number of shares at any time. The shares are issued at a price corresponding to the net asset value per share of the corresponding Share Class. This price may be increased by a subscription fee, as mentioned and detailed in the section *Fees and charges* and the Fact Sheet of each Sub-Fund.

The SICAV's Board of Directors reserves the right to apply different arrangements for certain countries in order to comply with the laws, regulations and administrative provisions of those countries and provided the investment documents in relation to those countries make due mention of these requirements.

In order to be processed on the basis of the net asset value calculated on a Calculation Date, subscription requests must be received by the Transfer Agent in Luxembourg before the cut-off time indicated in each Fact Sheet. Subscription requests received after the official cut-off time will be processed on the next Valuation Date. Subscriptions are therefore processed at an unknown net asset value.

The SICAV can, however, at the discretion of its Board of Directors, permit exceptions for distributors, at their request, thereby granting them an additional reasonable period of a maximum of 90 minutes after the official cut-off time of the SICAV to allow them to centralize, consolidate and send orders to the Transfer Agent, provided that the net asset value is still unknown.

Subscription requests must specify the Sub-Fund, the number of shares to be subscribed, the Share Class, the type of share (e.g. capitalization, distribution, etc.), and must include a statement declaring that the buyer has received and read a copy of the Prospectus and the key investor information document and that the subscription request is made on the basis of the terms of those documents. The request must specify the name and address of the person in whose name the shares are to be registered and the address to which confirmations of entry in the register of shareholders are to be sent.

As soon as the price at which the shares are to be issued has been calculated, the Transfer Agent will notify the selling agent who, in turn, will inform the buyer of the total amount to be paid, including the subscription fee, in respect of the number of shares to be subscribed.

Full payment, including any subscription fee, must be received within the required subscription settlement period as specified in each Fact Sheet. If the payment and the written subscription request have not been received on time, the investor will be liable for the costs incurred (including interest), the request may be rejected and any allocation of shares made on the basis of such request may be cancelled. If payment in connection with a subscription request is received after the given period, the Transfer Agent may process this request on the basis that the number of shares that can be subscribed by means of such amount (including the applicable subscription fee) will be the number resulting from the next calculation of the asset value on the next Valuation Date following receipt of payment.

If a request is rejected in full or in part, the price paid or the remaining balance will be returned to the applicant by post or by bank transfer, at the latter's risk.

The SICAV reserves the right to reject any subscription requests or to only accept such requests in part. Furthermore, and in accordance with the Articles, the Board of Directors reserves the right to suspend the issue and sale of shares in the SICAV at any time and without notice.

No share will be issued by the SICAV during any period in which the calculation of the net asset value per share is suspended by the SICAV in accordance with the powers granted to it in its Articles and described in the Prospectus. Notice of any suspension of this type will be given to persons who have submitted a subscription request and any requests made or pending during such suspension may be withdrawn by written notification provided it is received by the Transfer Agent before the suspension is lifted. Unless they have been withdrawn, requests will be processed on the first Valuation Date following the end of the suspension.

## 13. Conversion of shares

Shareholders may request the conversion of all or some of their shares into shares in another class or another Sub-Fund, provided they meet the necessary criteria, by advising the Transfer Agent, in writing, by fax, or by any other electronic means accepted by the Transfer Agent.

The cut-off time for conversion requests is the same as for redemptions. The SICAV may, however, at the discretion of its Board of Directors, permit exceptions to distributors, at their request, thereby granting them an additional reasonable period of a maximum of 90 minutes after the official cut-off of the SICAV to allow them to centralize, consolidate and send orders to the Transfer Agent at an unknown net asset value.
Notwithstanding any suspension of the calculation of the net asset value, conversion will be carried out on the Calculation Date following the receipt of the request, at a rate calculated by reference to the price of the shares of the respective Sub-Funds established on that same date.

The rate at which all or some of the shares in a Sub-Fund or class (the "Original Sub-Fund" or "Original Class") are converted into shares in another Sub-Fund or class (the "new Sub-Fund" or the "new class") is determined, as closely as possible, on the basis of the following formula:

$$A = \frac{B \times C \times E}{D}$$

A = the number of shares in the new Sub-Fund or new class;
B = the number of shares in the original Sub-Fund or original class;
C = the net asset value per share of the original Sub-Fund or original class used on the date in question;
D = the net asset value per share of the new Sub-Fund or new class used on the date in question; and
E = the exchange rate on the date in question between the currency of the Sub-Fund to be converted and the currency of the Sub-Fund to be allocated.

After conversion, shareholders will be informed by the Transfer Agent of the number of shares that they have obtained in the new Sub-Fund or new class as a result of conversion and their price.

A conversion fee may be applied, as mentioned and detailed in the section *Fees and charges* and the Fact Sheet of each Sub-Fund.

## 14. Redemption of shares

Shareholders are entitled at any time and without restriction to apply for their shares to be redeemed by the SICAV. The shares redeemed by the SICAV will be cancelled.

### 14.1 Redemption procedure

All shareholders wishing to have all or part of their shares redeemed must submit their request in writing to the Transfer Agent. The request must be irrevocable (with the exception of what is stated below in the case of temporary suspension of redemptions) and must indicate the number, Sub-Fund and class of shares to be redeemed and the name under which they are registered. The request must also contain the fax number or the address, if applicable, of the shareholder making the redemption request.

In order to be processed on the basis of the net asset value calculated on a Calculation Date, redemption requests must be received by the Transfer Agent in Luxembourg before the cut-off time indicated in each Fact Sheet. The redemption requests received after the official cut-off time will be processed on the next Valuation Date. Redemptions are therefore processed at an unknown net asset value.

The SICAV may, however, at the discretion of its Board of Directors, permit exceptions to distributors, at their request, thereby granting them an additional reasonable period of a maximum of 90 minutes after the official cut-off of the SICAV to allow them to centralize, consolidate and send orders to the Transfer Agent at an unknown net asset value.

As soon as reasonably possible, after the redemption price has been determined, the Transfer Agent will inform the applicant of the price.
A redemption fee may be charged, as mentioned and detailed in the section *Fees and charges* and the Fact Sheet of each Sub-Fund.
The price of the redeemed shares will be paid within the redemption settlement period as specified in each Fact Sheet.

### 14.2 Temporary suspension of redemptions

The right of any shareholder to apply for redemptions from the SICAV will be suspended during any period in which the calculation of the net asset value per share is suspended by the SICAV by virtue of the powers described in the clause titled “Temporary suspension of the calculation of the net asset value and of the issue, redemption and conversion of shares” of the Prospectus. Any shareholders requesting redemption will be notified of this suspension and of the end of the suspension. The shares in question will be redeemed on the first bank business day in Luxembourg following the lifting of the suspension.
If the total redemption orders (including conversion orders from one Sub-Fund to another Sub-Fund of the SICAV) received for a Sub-Fund on a given Valuation Date concern more than 10% of the total net assets of the Sub-Fund in question, the Board of Directors or the Management Company may decide on behalf of the Fund to defer all or some of these orders for a period deemed by the Board of Directors or Management Company to be in the best interests of the Sub-Fund although not in principle more than ten (10) working days for each pending redemption.
Any redemption order deferred in this way will be treated as a priority over redemption orders on following Valuation Dates.
The price applied to these deferred redemptions will be the net asset value of the Sub-Fund on the date the orders are satisfied (i.e. the net asset value calculated after the period of deferral).

***Forced redemptions***

The Board of Directors or the Management Company may, at its sole discretion and in accordance with the provisions of the Articles, proceed with the compulsory redemption of all or part of the shares held by a shareholder if the Board of Directors or the Management Company believe that such holding might result in:

(i) a breach of any (a) applicable Luxembourg law and regulations or other law and regulations, (b) requirement of any country or (c) requirement of any governmental authority,

(ii) the Fund (including its shareholders) or any of its delegates incurring any liability to taxation or suffering any sanction, penalty, burden or other disadvantage (whether pecuniary, administrative or operational) which the Fund (including its shareholders) or its delegates might not otherwise have incurred or suffered or otherwise be detrimental to the interests of the Fund (including its shareholders), or

(iii) the fact that the liquidity of a Sub-Fund qualifying as a MMF could be jeopardized by the concentration of that shareholder’s shareholding, or

(iv) that shareholder to exceed any limit to which his shareholding is subject.

Where it appears that a person who should be precluded from holding shares, either alone or in conjunction with any other person, is a holder of shares, the Board of Directors or the Management Company may compulsorily redeem all shares so held in accordance with the provisions of the Articles.

## 15. Market Timing and Late Trading

“Market Timing” means the arbitrage technique whereby an investor systematically subscribes to and redeems or converts units or shares of a single UCI over a short period of time by exploiting the time differences and/or imperfections or deficiencies of the system for calculating the net asset value of the UCI.

“Late Trading” means the acceptance of a subscription, conversion or redemption order after the cut-off time for the acceptance of orders on the relevant trading day and its execution at the price based on the net asset value applicable to that day.

Market Timing and Late Trading, as defined above, are formally prohibited whether in relation to subscription, redemption or conversion orders. The SICAV reserves the right to reject any subscription, redemption or conversion orders received from an investor suspected of such practices and, where applicable, reserves the right to take all the necessary measures to protect the other shareholders.

## 16. The fight against money laundering and the financing of terrorism

### 16.1. Identification of subscribers

The SICAV, the Management Company, the Transfer Agent, and the selling agents must at all times comply with the rules in Luxembourg relating to the combating of money-laundering and financing of terrorism and the prevention of the use of the financial sector for these purposes.

With regard to the combating of money-laundering and financing of terrorism, the SICAV, the Management Company and the Transfer Agent will ensure that the applicable Luxembourg legislation in this area is respected, and will satisfy themselves that subscribers are identified in Luxembourg in accordance with the legislation which is in force, including but not limited to Directive (EU) 2015/849, the Law of 12 November 2004 and CSSF Regulation No 12-02 of 14 December 2012, as amended from time to time.

The Transfer Agent has a duty to comply with rules in Luxembourg when it receives subscription applications. As such, when a shareholder or future shareholder submits a request, the Transfer Agent is required to identify the customer and the effective beneficiaries, and to verify their identity on the basis of documents, data or information from reliable and independent sources, applying a risk-based approach.

When the shares are subscribed by an intermediary acting on behalf of others, the Transfer Agent must put in place extra vigilance measures specifically seeking to analyse the robustness of the monitoring structures in the combating of money-laundering and financing of terrorism.

If there are any doubts as to the identity of a person making a subscription or redemption application due to a lack, irregularity or insufficiency of proof regarding that person's identity, it is the responsibility of the Transfer Agent to suspend or even reject the subscription application for the reasons set out above. In such circumstances, the Transfer Agent will not be liable for any costs or interest.

### 16.2. Identification of the risk level of the investment

In addition, when performing investment transactions, the SICAV, the Management Company and, if applicable, the entity to which the implementation of the portfolio management duties is delegated, must carry out an analysis of the risk of money-laundering and financing of terrorism associated with the investment and put in place vigilance measures which are appropriate for the evaluated and documented risk.

## 17. Net asset value

For the avoidance of doubt, for MMF Sub-Funds, any reference below to the net asset value is to the net asset value per share.

The net asset value of the shares in each Sub-Fund is determined in that Sub-Fund's base currency in accordance with the Articles, which stipulate that this calculation will take place at least twice a month, except for Sub-Funds qualifying as MMF for which the calculation will take place at least once each business banking day.
The net asset value of active Sub-Funds is calculated in Luxembourg on each calculation date (the "Calculation Date"), as stated in the Fact Sheets. The net asset value is calculated on the basis of the last known prices on the markets where the securities held in the portfolio are predominantly traded.
The net asset value per share in each Sub-Fund shall be rounded to the closest second decimal.

In order to determine the net asset value, income and expenditures are accounted for up to the applicable settlement date for subscriptions and redemptions, which will be processed on the basis of the applicable net asset value. The value of the securities and other assets held in each Sub-Fund at the end of each Valuation Date is determined in accordance with the Articles of the SICAV, which stipulate various principles for determining this value, as explained below.

The net assets of each Sub-Fund will be valued as follows:

a)<u>The SICAV's assets shall, in particular, be comprised of</u>:

**<u>Sub-Funds that do not qualify as MMFs:</u>**

- all cash on hand or on deposit, including accrued interest;
- all notes and bills payable on demand and accounts receivable (including proceeds from the sale of securities where payment has not yet been received);
- all securities, units, shares, bonds, derivative instruments or subscription rights and other investments and securities owned or contracted for by the SICAV;
- all dividends and distributions to be received by the SICAV (based on the understanding that the SICAV may make adjustments in light of fluctuations in the market value of the transferable securities resulting from ex-dividend or ex-rights trading or similar practices);
- all accrued interest from securities owned by the SICAV, unless such interest is included in the principal of these securities;
- the preliminary expenses of the SICAV insofar as they have not been amortized; and
- all other assets of any kind, including prepaid expenses.

**<u>Sub-Funds qualifying as MMFs:</u>**

- all cash on hand or on deposit including accrued interest;
- all notes and bills payable on demand and accounts receivable (including proceeds from the sale of securities where payment has not yet been received);
- all money market instruments (including bonds with a residual maturity of max 397 days), units or shares of money market funds, securitizations, asset backed commercial papers (ABCP) and other investments owned or contracted for by the SICAV;
- all dividends and distributions to be received by the SICAV (based on the understanding that the SICAV may make adjustments in light of fluctuations in the market value of the transferable securities resulting from ex-dividend or ex-rights trading or similar practices);
- all accrued interest from securities owned by the SICAV, unless such interest is included in the principal of these securities;
- the preliminary expenses of the SICAV insofar as they have not been amortized;
- all other assets of any kind, including prepaid expenses.

The value of these assets will be determined as follows:

### A) <u>Sub-Funds that do not qualify as MMFs</u>

- **Equities, warrants and rights:** Equities are valued at the closing price on the various stock exchanges on the Valuation Date.

- **Exchange traded funds ("ETF") and UCI:** ETFs and UCI are valued at the net asset value representative of the markets on the reference date or in the absence thereof the preceding date.
- **Bonds:** Bonds are valued at the closing price provided by pricing vendors on the Valuation Date.
- **Negotiable debt securities and other money market instruments:** Negotiable debt securities are valued at the closing price provided by pricing vendors on the Valuation Date. Negotiable debt securities and other money market instruments with a residual maturity of less than or equal to three months may be valued according to the amortized cost method. In the event of the deterioration of the quality of credit of one or more issuers which considerably affects the net asset value, the amortized cost method will be abandoned and the negotiable debt security/money market instrument will then be valued to reflect this deterioration.
- **Exchange traded derivatives:** These financial instruments are valued at the closing prices on the various futures and options markets on the Valuation Date.
- **OTC cleared derivatives:** These financial instruments are valued at the end of day official prices used for mark-to-market and margin call purposes on the Valuation Date.
- **Spot exchange rates:** The spot exchange rates are valued from the market data available from specialized data providers.
- **Forward foreign exchange:** Foreign exchange futures are valued on the basis of the market data available such as the spot price, interest rate curve etc, from specialized data providers.
- **Credit derivatives and credit derivative indices:** Non cleared credit derivatives are calculated based on models validated by the Management Company, using market data such as the spread curve, interest rate curve etc., available from specialized data providers. The prices obtained are compared with those of the counterparties.
- **Interest rate swaps:** Non cleared interest rate swaps are calculated based on models validated by the Management Company, using market data available on Bloomberg such as interest rate curves. The prices obtained are compared with those of the counterparties.
- **Other OTC derivatives:** Non-cleared OTC products are calculated based on models validated by the Management Company, using the market data available on Bloomberg (volatility, interest rate curve, etc.). The prices obtained from the models are compared with those of the counterparties.
- **Repurchase and reverse repurchase agreements:** Repurchase agreements and reverse repurchase agreements are valued at cost plus interest. For contracts exceeding three months, the credit spread of the counterparty may be revalued.
- **Exceptional treatment:** Debt securities (bonds, negotiable debt securities, money market instruments, etc.) which are not actively traded or for which the price is clearly not representative of the market, may be valued on the basis of an estimated method at the discretion of the Management Company. In addition, the actuarial method, the rate applied being that for issues of equivalent securities, where applicable, allocated by a differential representative of the intrinsic characteristics of the issuer of the security, may be used.
- **Listed securities**: Listed securities (equities, warrants, rights, options) in which there are not significant amounts of transactions and/or for which the price is clearly not representative of the market, may be valued on the basis of a method representative of the close of the market at the discretion of the Management Company.
- **Main sources:** The principal specialized data providers for valuations are Bloomberg, Reuters and CMA. The Management Company may, nevertheless, use other sources as it deems appropriate.
- **Accounting methods:** Interest on bonds and debt securities is recognized using the accrued coupons method.

**B) <u>Sub-Funds qualifying as MMFs</u>**

- Securitizations, ABCP(s) and Money Market Instruments are valued at Mark-to-Market;

- Shares or units in MMFs are valued at their last published net asset value;

- Cash on hand or on deposit, accounts receivable, accounts payable, repurchase transactions or reverse repurchase transactions are valued at their nominal value;

- Derivative instruments listed and cleared via a central counterparty are valued at their settlement price on the different markets. Other derivative instruments are valued based on models validated by the Management Company.

The different instruments mentioned here above are valued at the reference date or, if not, at the first previous date made available.

Where the value of the assets cannot be valued following the Mark-to-Market or if the market data are of insufficient quality, or there are no significant amounts of transactions or for which the price is not available or clearly not representative of the fair market value, their value shall be determined conservatively using mark-to-model.

The mark-to-model method is based on financial models to allocate a fair value to an asset, using either:

(i) models developed internally by the Board of Directors and/or the Management Company or

(ii) existing models from external parties such as data vendors or

(iii) a combination of both (i) and (ii).

b) The liabilities of the SICAV will, in particular, be comprised of:

- all borrowings, matured bills and accounts payable;
- all accrued or payable administrative expenses (including but not limited to fees paid to the asset managers, custodians, representatives and agents of the SICAV);
- all known liabilities, whether or not due, including all contractual obligations due and relating to payments in cash or in kind, including the amount of any unpaid dividends declared by the SICAV where the Valuation Date coincides with the record date for the determination of the persons entitled to such payment;
- an appropriate reserve for future taxes on capital and on revenue, accrued up to the Valuation Date and determined periodically by the SICAV and, where necessary, other reserves authorized or approved by the Board of Directors;
- any other liabilities of the SICAV regardless of their nature and type, with the exception of those represented by its own funds. When valuing these other liabilities, the SICAV will take into consideration all its expenses, in particular: incorporation costs, fees and commissions payable to counterparties providing a service to the SICAV including management fees, performance fees and consulting fees, fees payable to the depositary and correspondent agents, the administrative agent, the transfer agent, the paying agents, etc., including out-of-pocket expenses, legal fees and audit fees, promotional expenses, the cost of printing and publishing the share sales documents and any other document concerning the SICAV such as financial reports, the cost of calling and holding shareholders' meetings and of any amendments to the Articles, the cost of calling and holding meetings of the Board of Directors, reasonable travel expenses incurred by the directors in carrying out their duties plus attendance allowances, share issue and redemption costs, dividend payment costs, taxes due to the supervisory bodies in foreign

countries where the SICAV is registered including fees and commissions payable to local permanent representatives, also the costs associated with maintaining registrations, taxes, charges and duties imposed by government authorities, stock exchange listing and follow-on costs, financial, banking or brokerage fees, the expenses and costs connected with subscription to an account or a license or any other request for paid information from financial index providers, ratings agencies or any other data suppliers, and all other operating expenses and all other administrative charges. When valuing the amount of all or some of these liabilities, the SICAV may estimate regular or periodic administrative and other expenses on the basis of one year or any other period, allocating the amount over that period on a pro rata basis, or may set a fee calculated and paid as described in the sales documents.

c) Each share of the SICAV that is in the process of being redeemed will be considered to be issued and outstanding until the close of business on the Valuation Date on which this share is redeemed and will, from that date until the redemption price is paid, be considered a liability of the SICAV.

Each share to be issued by the SICAV in accordance with subscription requests received will be treated as having been issued from the close of business on the Valuation Date on which its issue price is calculated, and its price will be treated as an amount due to the SICAV until received by it.

d) As far as possible, any investments or divestments made by the SICAV up to a given Valuation Date will be taken into account.

e) The net asset value of each Sub-Fund will be expressed in the currency selected by the Board of Directors as stated in the Fact Sheets.

All assets not expressed in the currency of the Sub-Fund will be converted into that currency at the same day exchange rate of the stock market used as reference for the calculation of the net asset value.

The net asset value of the SICAV is equal to the sum of the net assets of the various Sub-Funds. The capital of the SICAV will at all times be equal to the net asset value of the SICAV and its consolidation currency is the EUR.

f) Pools of assets are established for each Sub-Fund as follows:

- the proceeds from the issue of shares in a Sub-Fund will be allocated in the accounts of the SICAV to the pool of assets established for that Sub-Fund, and the assets, liabilities, income and expenses relating to that Sub-Fund will be allocated to the pool of assets of that Sub-Fund;
- assets which are derived from other assets will be allocated in the accounts of the SICAV to the same pool of assets as the assets from which they are derived. Whenever an asset is re-valued, its increase or reduction in value will be allocated to the pool of assets of the Sub-Fund to which it is allocated;
- all of the liabilities of the SICAV which may be allocated to a given Sub-Fund will be allocated to the pool of assets of that Sub-Fund;
- the assets, liabilities, charges and expenses which cannot be allocated to a specific Sub-Fund will be allocated to the various Sub-Funds in equal parts, or insofar as the amounts concerned justify it, proportionate to their respective net assets.

Following any declaration of dividends to the shareholders of a Sub-Fund, the net value of that Sub-Fund will be reduced by the amount of the dividends.

g)Anti-dilution mechanism

- **Field of application**

A protection mechanism intended to avoid performance dilution ("Anti-Dilution Mechanism") has been put in place on all the SICAV's Sub-Funds, with the exception of the following Sub-Funds, for which the application of such a mechanism is deemed neither appropriate nor practicable:

- **Candriam Sustainable Defensive Asset Allocation & Candriam Sustainable Balanced Asset Allocation**: this Sub-Fund mainly takes positions in funds (for which the Sub-Fund does not directly incur transaction expenses) and in listed derivatives (the transaction costs of which are not deemed to be material in light of the exposure they provide).

- **Candriam Sustainable Money Market Euro** : the transactions performed on money markets are usually exempt of explicit taxes and brokerage fees and the daily retrieval of bid and ask prices along with the average prices, required to enable this mechanism to be systematically applied, is not practicable.

- **Description of the Anti-Dilution Mechanism and applicable thresholds**

The Anti-Dilution Mechanism put in place within the SICAV is intended to save existing Sub-Funds' shareholders from having to bear expenses incurred for transactions on portfolio assets performed in the wake of significant subscriptions to or redemptions from the Sub-Fund by investors.

Indeed, when there are significant subscriptions to or redemptions from the Sub-Fund, the manager must invest/disinvest the corresponding amounts, thus generating large transactions which may entail variable transaction fees depending on the asset types concerned.

These fees are mainly taxes on certain markets and execution fees billed by brokers. These fees can be fixed amounts or variable in proportion to the volumes traded and/or take the form of the difference between the bid or ask prices for a financial instrument on the one hand and the valuation or average price on the other (typical situation in bond trading for example).
The goal of the Anti-Dilution Mechanism is therefore to have these costs borne by the investors at the origin of the subscription/redemption transactions concerned and to protect existing investors.
In practice, on valuation dates when the difference between the amount of subscriptions and the amount of redemptions of a Sub-Fund (representing the net transactions) exceeds a threshold set beforehand by the Board of Directors, the Board reserves the right:

- to assess the net asset value by adding a fixed percentage for fees and charges to the NAV (for net subscriptions) or deducting this percentage from the NAV (for net redemptions) with this percentage for fees and charges corresponding to market practice when buying or selling securities, i.e. the Swing Pricing mechanism;

- value the securities portfolio of this Sub-Fund on the basis of buying or selling prices or by setting spreads at a level representative of the market in question (in the case, respectively, of net inflows or net outflows), i.e. the Bid/Ask Mechanism.

Under no circumstances will the Swing Pricing mechanism and the Bid/Ask mechanism be implemented simultaneously.

- **<u>Impact of activating the Anti-Dilution Mechanism and applicable Factor</u>**

  - in case of net subscriptions: increase in the net asset value, i.e. an increase in the purchase price for all investors subscribing to shares on that date,
  - in case of net redemptions: reduction in the net asset value, i.e. a reduction in the selling price for all investors redeeming their shares on that date.

  This increase or reduction in the net asset value is called the “Factor” of the Anti-Dilution Mechanism.
  The scope of this variation depends on the estimate made by the Management Company of the transaction fees applied to the types of assets concerned.
  The pricing adjustment must not exceed 2% of the net asset value, except in exceptional circumstances, such as in the event of a strong drop in liquidity. If this 2% limit is exceeded, the Management Company will inform the CSSF and will notify the shareholders via a publication on its website www.candriam.com. Details will also be published for the Sub-Fund concerned in the SICAV's (semi-)annual report.

- **<u>Process by which it is decided to apply the Anti-Dilution Mechanism</u>**

  The Board of Directors has entrusted the Management Company with implementation of the Anti-Dilution Mechanism.
  The Management Company has drawn up a policy detailing how the Anti-Dilution Mechanism works and has implemented operational processes and procedures in order to oversee application of the Anti-Dilution Mechanism by the Administrative Agent and the Transfer Agent.
  The policy detailing the Management Company's Anti-Dilution Mechanism has been duly validated by the SICAV's Board of Directors.

- **<u>Methodology to be applied in case of performance fees</u>**

  If performance fees must be calculated, these fees are calculated before any application of the Anti-Dilution Mechanism, making these fees immune to the impact of the Anti-Dilution Mechanism.

## 18. Temporary suspension of the calculation of the net asset value and of the issue, redemption and conversion of shares

The Board of Directors is authorized to temporarily suspend the calculation of the net asset value of one or more Sub-Funds, as well as the issue, redemption and conversion of shares in one or more Sub-Funds in the following cases:

a) If the net asset value of shares in the underlying funds representing a substantial part of the investments of the Sub-Fund cannot be determined;

b) during any period when any market or stock exchange which is the principal market or stock exchange on which a significant percentage of the investments of the SICAV is listed, is closed, except for normal closing days, or when trading is subject to major restrictions or suspensions;

c) during any period when there exists a state of affairs which, in the opinion of the SICAV, constitutes an emergency as a result of which it is impractical to dispose of investments by reasonable and normal means, or where it would seriously harm the shareholders’ interests;

d) during any breakdown in the means of communication normally used to determine the price of any investment of the Sub-Fund or current prices on any stock exchange;

e) during any period during which it is not possible to deliver the funds which are or may be necessary for the realization or payment of any investment of the SICAV, or during any period in which it is not possible to repatriate funds required for the redemption of the shares;

f) in the event of cancellation/closure or demerger of one or more Sub-Funds or Share Classes or types of shares provided such suspension is justified in the interests of protecting the shareholders of the Sub-Funds, Share Classes or types of shares in question;

g) if a meeting of shareholders is convened to propose the winding-up of the SICAV;

h) in case a Sub-Fund is a feeder of another UCITS (or a Sub-Fund thereof), if the net asset value calculation of the master UCITS (or the Sub-Fund thereof) is suspended;

i) any other cases where the Board of Directors determines that such a suspension is necessary to safeguard the interests of the SICAV or one of its Sub-funds or the shareholders concerned.

Shareholders requesting redemption or conversion of shares will be advised of any suspension of the calculation of the net asset value. Pending subscription, redemption or conversion requests may be withdrawn by means of a written notification to the Transfer Agent, provided such notification is received by the Transfer Agent before the suspension is lifted. Pending subscriptions, redemptions and conversions will be processed on the first possible Valuation Date after the lifting of the suspension.

## 19. Allocation of income

### 19.1 General principles

At the proposal of the Board of Directors, the general meeting of shareholders will decide each year on the allocation of income.

For the capitalization shares, the Board of Directors will propose in principle the capitalization of the associated income.

For the distribution shares, the Board of Directors may propose to distribute the net income arising from investments for the financial year, realized and unrealized capital gains and the net assets within the limits of the law.

Where the Board of Directors considers it expedient to do so, it may proceed to payment of interim dividends.

### 19.2 Dividend distribution policy

The SICAV may propose to distribute dividends to the shareholders of the distribution shares. Capitalization shares will normally not pay dividends.

When the Board of Directors will propose a dividend distribution to the general meeting of shareholders, the distributed amount will be determined within the limits of the law.

Annual dividends may be declared separately in respect of each Share Class at the annual general meeting of shareholders. The Board of Directors also reserves the right to distribute interim dividends for each Share Class during the financial year.

Dividends may be paid by the SICAV more frequently in respect of some or all Share Classes, from time to time, or be paid at different times of the year, as deemed appropriate by the Board of Directors. It is intended that all the Share Classes with the suffix :

- (m) may distribute a monthly dividend
- (q) may distribute a quarterly dividend

- (s) may distribute a semi-annual dividend

The Board of Directors can determine the dividend policies and the payment methods for the dividends and interim dividends that have been decided upon.

For example, the SICAV may offer fixed distribution Share Classes where the dividend is based on a fixed amount or fixed percentage of the net asset value per share at the date determined by the Board of Directors. Such dividends will normally be paid at a fixed distribution frequency, as deemed appropriate by the Board of Directors (e.g. quarterly).

A dividend calendar including details on the distribution frequency and the dividend calculation basis can be requested from the Management Company and is available on www.candriam.com.

Shareholders should be particularly aware of the following:

- The dividend is not dependent upon the level of income or capital gains of the Share Class.

- The dividend paid may include a capital distribution, provided that after distribution, the net assets of the SICAV total more than the minimum capital requirement under Luxembourg law.
  As such, the dividend paid may exceed the gains of the Share Class resulting in erosion of the initially invested capital. Shareholders should note that, where the dividend rate is in excess of the investment income of the Share Class, dividends will be paid out of the capital attributed to the Share Class, as well as from realized and unrealized capital gains. This may be tax inefficient for investors in certain countries. Investors should consult their local tax adviser about their own position.

In addition, for fixed distribution Share Classes, shareholders should also be particularly aware of the following :

- During periods of negative performance of a Sub-Fund / Share Class, the dividend will normally continue to be paid. This may result in a more rapid decline in the capital value of the investment of the Sub-Fund / Share Class. Thus, the value of a shareholder's investment could ultimately be reduced to zero.
- The Directors of the Fund will periodically review the fixed distribution Share Classes and reserve the right to make changes. Changes to the distribution policy will be communicated to shareholders through Candriam's website.

- It may not be possible to maintain the dividend payment indefinitely.

- The Board of Directors could decide that a Share Class does not distribute any dividend or to reduce the amount of the dividend to be distributed.

Dividends that are not claimed within 5 years of their date of payment may no longer be claimed and shall revert to the appropriate class.

## 20. Separation of the liabilities of the Sub-Funds

The SICAV is one and the same legal entity. However, all assets of a given Sub-Fund are accountable for the debts, liabilities and obligations relating to that Sub-Fund only. In relations between shareholders, each Sub-Fund is treated as a separate entity.

# 21. Taxation

## 21.1. Taxation of the SICAV

Under the terms of current legislation and according to current practice, the SICAV is not liable for any Luxembourg income tax (i.e. on dividends, interest, or capital gains received). Similarly, dividends paid by the SICAV are not subject to any form of Luxembourg withholding tax.

However, the SICAV is liable in Luxembourg to an annual subscription tax (“*taxe d’abonnement*”) representing 0.05% of the net assets of the SICAV.
This subscription tax is reduced to 0.01% for classes reserved for institutional investors.
The Indexed Sub-Funds are exempted from the “taxe d’abonnement” as there are Sub-Funds:

(i) whose securities are listed or traded on at least one stock exchange or another regulated market operating regularly, recognized and open to the public; and

(ii) whose exclusive object is to replicate the performance of one or more indices.

The subscription tax is payable quarterly based on the net assets of the SICAV calculated at the end of the quarter to which the duty relates.

Certain revenues of the SICAV such as dividends, interest, and capital gains on assets from sources outside Luxembourg may, however, be liable for variable rate taxes, which are generally deducted at source. Generally speaking, these taxes or deductions at source are not fully or even partially recoverable. The relief from these taxes and deductions at source provided by the international double taxation prevention treaties entered into by the Grand Duchy of Luxembourg and the respective countries is not always applicable.

## 21.2. Taxation of shareholders

Under current legislation, shareholders are not liable in Luxembourg for any gift or inheritance tax, except for shareholders who are domiciled, resident or have a permanent address in Luxembourg. In terms of income tax, shareholders who are resident in Luxembourg are liable on the basis of a direct assessment on dividends received and capital gains realized on the sale of their shares if their shares are held for a period of less than 6 months, or if more than 10% of the shares of the company are held.

Shareholders who are non-resident in Luxembourg are not liable for tax in Luxembourg on the dividends received or capital gains realized on the sale of their shares.

We recommend that shareholders familiarise themselves with and, if necessary, seek advice on the laws and regulations governing taxation and exchange control applicable to the subscription, purchase, holding and sale of shares in their place of origin, residence and/or domicile.

## 21.3. Notice on taxation in Germany and its impact on investment policy

The German Investment Tax Act Reform ("GITA") came into force on January 1st, 2018.

One of the provisions of GITA provides, where appropriate, for the application of progressive tax relief rates for the tax resident investor in Germany on taxable income from his investment in German or foreign investment funds ( "Partial tax exemption").

The scope of these tax reliefs varies according to the type of investor (eg natural person or legal person) and the type of fund (eg "Equity Funds" or "Mixed Funds" as defined in GITA).
To be qualified as an Equity Fund or a Mixed Fund, and thus allow the investor to benefit from tax relief, a Sub-Fund must permanently respect certain minimum investment thresholds, within the meaning of GITA ( "Equity Participations"), namely:

- To qualify for Equity Fund status, an investment fund or one of its Sub-Funds must permanently invest at least 51% of its net assets in Equity Participations;

- To qualify for the mixed fund status, an investment fund or one of its Sub-Funds must permanently invest at least 25% of its net assets in Equity Participations.

Equity Participations is to be understood as, without this list being exhaustive:

(1) Shares of a company admitted to official listing on a stock exchange or traded on an organized market (meeting the criteria of a regulated market) and / or
(2) The shares of a company, other than a real estate company, which (i) is a resident of the European Union or the European Economic Area and is subject, without being exempt, to the tax on income; or (ii) is a resident of a third country (not a member of the European Union) and is subject to an income tax of at least 15% and / or
(3) Units of Equity Funds or Mixed Funds declared in accordance with GITA in the investment guidelines of the relevant fund, for their respective percentage of permanent physical investment in Equity Participations in accordance with GITA.

The Fact Sheet for each Sub-Fund will indicate, if applicable, whether the Sub-Fund qualifies as an Equity Fund or a Mixed Fund, complying with the Equity Participations ratios when implementing its investment policy.

### 21.4. Notice on taxation in France and its impact on the investment policy

Certain Sub-Funds of the SICAV are eligible for the Equities Savings Scheme (PEA) in France.
At least 75% of the net assets of the Sub-Fund are continuously invested in equities of companies having their registered office in a Member State of the European Union and/or of the European Economic Area that has entered into a tax treaty with France making it eligible for PEA in France.
Where applicable, the Fact Sheet of each Sub-Fund will state whether the Sub-Fund is eligible for PEA.

## 22. General meetings of shareholders

The annual general meeting of the shareholders of each Sub-Fund of the SICAV is held at the registered office of the SICAV or any other place in Luxembourg as specified in the convening notice.
It shall take place within 6 months after the financial year's end.

Notices of all general meetings of shareholders will be sent to all registered shareholders, to the address shown in the register of shareholders, at least 8 days before the general meeting. These notices will state the time and place of the general meeting of shareholders and the conditions of admission, the agenda and the requirements under Luxembourg law as regards the necessary quorum and majority.

If required by local legislation, the notices will also be published in Luxembourg and in the countries where the shares of the SICAV are authorized for public marketing in any newspaper selected by the Board of Directors.

The requirements concerning attendance, quorum and majority during any general meeting of shareholders will be those set down in the Articles of the SICAV.

# 23. Closure, merger and demerger of a Sub-Fund, class or type of share – Liquidation of the SICAV

## 23.1. Closure, cancellation and liquidation of Sub-Funds, Share Classes or share types

The Board of Directors may decide to close, cancel or liquidate one or more Sub-Funds, classes or types of shares by cancelling the shares in question either by repaying the relevant shareholders the total net asset value of the shares in the Sub-Funds, classes or types of shares in question, after deducting the liquidation charges, or by allowing them to convert to another Sub-Fund of the SICAV, with no conversion charge, thereby allocating them new shares equal to the value of their previous holding, after deducting the liquidation charges.

This decision may, in particular, be made in the following circumstances:

- a change in the economic and political situation in the countries in which investments are made or the shares of one of more Sub-Funds are sold;
- if the net assets of a Sub-Fund, a class or a type of share fall below a certain threshold considered by the Board of Directors to be insufficient to be able to continue managing the Sub-Fund or class effectively; and
- within the context of rationalizing the products offered to shareholders.

This decision of the Board of Directors shall be made public through all appropriate means, including by publication in a newspaper in the countries where the shares of the SICAV are distributed, if required by the legislation of these countries.

The Board of Directors would be required to refer the matter of closing, cancelling or liquidating the final Sub-Fund of the SICAV to the general meeting of shareholders under the conditions of quorum and majority required by Luxembourg law.

The net liquidation proceeds of each Sub-Fund will be distributed to the shareholders of each Sub-Fund proportionate to their holding.

The liquidation proceeds attributable to shares whose holders do not come forward on completion of the liquidation proceedings of a Sub-Fund will remain on deposit with the *Caisse de Consignation* in Luxembourg to the profit of the relevant beneficiary.

## 23.2. Merger of Sub-Funds, Share Classes or share types

### 23.2.1. Merger of a class or type of share

Under the circumstances indicated in clause 23.1 above, the Board of Directors may decide to merge one or more classes or types of shares of the SICAV.

This decision of the Board of Directors shall be made public through all appropriate means and published in any newspaper in the countries where the shares of the SICAV are distributed, if required by the legislation of these countries. This publication will be made at least one month before the date the merger becomes effective so as to allow shareholders to apply for the redemption or repayment of their shares at no charge.

In case of a merger of a Sub-Fund, the Board of Directors will give notice to shareholders concerned, as required by Luxembourg laws and regulations. Such notice shall be provided to the shareholders concerned at least thirty days before the last date available for them to exercise their right to request the repurchase or redemption or conversion of their shares without charge other than the charges applied to meet disinvestment costs.

### 23.2.2. Merger of a Sub-Fund

Under the circumstances indicated in clause 23.1. above, the Board of Directors may decide to merge one or more Sub-Funds of the SICAV together or merge one or more Sub-Funds of the SICAV with another UCITS governed by Directive 2009/65/EC under the conditions set down in the Law of 2010.

However, for any merger resulting in the disappearance of the SICAV to take effect, the merger must be approved by a general meeting of shareholders deliberating in accordance with the methods and the quorum and majority requirements stated in the Articles.

The SICAV will send the shareholders appropriate and accurate information about the proposed merger so as to allow them to make a fully informed decision as to the impact of this merger on their investment. This information will be communicated based on the conditions set down in the Law of 2010.

### 23.3. Demerger of Sub-Funds, Share Classes or share types

Under the same circumstances as indicated in clause 23.1. above, the Board of Directors may also, if it deems appropriate in the interests of the shareholders of a Sub-Fund, class or type of share, decide to divide this Sub-Fund, class or type of share into two or more Sub-Funds, classes or types of share.

This decision of the Board of Directors shall be made public through all appropriate means and published in any other newspaper in the countries where the shares of the SICAV are distributed, if required by the legislation of these countries. This publication will be made at least one month before the date the demerger becomes effective so as to allow shareholders to apply for the redemption or repayment of their shares at no charge.

### 23.4. Liquidation / merger of the SICAV

The SICAV may be wound up / merged at any time by a resolution adopted by a general meeting of shareholders in accordance with the provisions of its Articles.

If the share capital of the SICAV were to fall below two-thirds of the minimum capital, the Board of Directors would be required to refer the matter of winding up the SICAV to a general meeting of shareholders deliberating without a quorum requirement and acting by vote of a simple majority of the shares represented at the meeting.

If the share capital of the SICAV were to fall below one-quarter of the minimum capital, the Board of Directors would be required to refer the matter of winding up the SICAV to a general meeting of shareholders deliberating without a quorum requirement. Winding-up may be declared by shareholders holding one-quarter of the shares represented at the meeting.

The meeting notice must be sent to shareholders in so as to ensure that the meeting is held within forty days of finding that the net assets have fallen, respectively, below two-thirds or one-quarter of the minimum capital.

The liquidation of the SICAV, whether court-ordered or otherwise, will be carried out in accordance with the Law of 2010 and the Articles . In the event of non-court ordered liquidation, the process will be carried out by one or more liquidators who will be appointed by the general meeting of shareholders, which will determine their powers and remuneration.

The sums and amounts attributable to shares whose holders do not come forward on completion of the liquidation proceedings will remain on deposit with the *Caisse de Consignation* for the relevant beneficiary.

# 24. Fees and charges

### 24.1. Subscription, conversion and redemption fees

A **subscription fee**, expressed as a percentage of the subscription amount may be applied to subscriptions, for the benefit of the selling agents and/or the Sub-Fund and if any, as mentioned and detailed in each Fact Sheet.

A **conversion fee**, expressed as a percentage of the net asset value per share may be applied to conversions, for the benefit of the selling agents and/or the Sub-Fund and if any, as mentioned and detailed in each Fact Sheet.

A **redemption fee**, expressed as a percentage of the Net Asset Value per share may be applied to redemptions, for the benefit of the selling agents and/or the Sub-Fund and if any, as mentioned and detailed in each Fact Sheet.

### 24.2. Portfolio Management fee

In consideration for its portfolio management activity, the Management Company shall receive annual management fees, as detailed in the different Fact Sheets.
The management fee is expressed as an annual percentage of the average net asset value of each Share Class and is payable monthly.

### 24.3. Performance fee

In consideration for its portfolio management activity, the Management Company may also receive performance fees, as detailed in the Fact Sheets where appropriate.

### 24.4. Distribution fee

In consideration for its marketing activity, the Management Company may also receive distribution fees, as detailed in the Fact Sheets where appropriate.

### 24.5. Operational and administrative charges

The SICAV will bear the day-to-day operational and administrative charges incurred to cover all the overhead, variable costs, charges, fees and other expenses, as described below (the "Operational and Administrative Charges").

The Operational and Administrative Charges cover the following costs, although this list is not exhaustive:

(a) expenses incurred directly by the SICAV, including, among others, fees and charges owing to the Depositary Bank, to the principal paying agent, commissions and fees for certified auditors, Share Class hedging fees, including those charged by the Management Company, the fees paid to Directors and the reasonable costs and expenses incurred by or for the Directors;

(b) a "service fee", paid to the Management Company and which includes the remaining amount of Operational and Administrative Charges after deducting the costs indicated in section (a) above, being, among others, the fees and costs of the domiciliary agent, the administrative agent, the transfer agent, the registrar, the order routing platforms, the costs associated with registration and for maintaining this registration in all jurisdictions (such as fees levied by the supervisory authorities concerned, translation costs and payment for representatives abroad and local paying agents), listing and maintenance fees on stock exchange or specific platforms, share price publication costs, postal and communication costs, the costs for preparing, printing, translating and distributing prospectuses, key investor information documents, notices to the shareholders, financial reports or any other documents for shareholders, legal fees and expenses, the costs and fees associated with the subscription for any account or license or any other use of paid information or data, the fees associated with analysis services, the fees incurred for using a trademark registered by the SICAV and the fees and expenses for the Management Company and/or its delegates and/or any other agent appointed by the SICAV itself and/or independent experts.

Operational and Administrative Charges are expressed as an annual percentage of the average net asset value of each Share Class.

They are payable monthly at a maximum rate as set out in the Fact Sheets.

At the end of a given period, if the charges and expenses were to exceed the percentage of the Operational or Administrative Charges set for a Share Class then the Management Company would pay the difference. Conversely if the actual charges and expenses were to be less than the percentage of the Operational and Administrative Charges set for a class of shares, then the Management Company would retain the difference.

The Management Company may instruct the SICAV to settle all or part of the expenses as stated above directly on its assets. In such case, the amount of Operational and Administrative Charges will be reduced accordingly.

The Operational and Administrative Charges do not cover:

The duties, taxes, contributions, rights or costs of taxation imposed on the SICAV and its assets, including Luxembourg subscription duty.

- Fees linked to transactions: each Sub-Fund incurs the fees and expenses for buying and selling transferable securities, financial instruments and derivative products, brokerage fees and expenses, interest, (among others the interest on swaps and loans, etc.) or tax and other expenses linked to transactions.
- Fees generated by the anti-dilution mechanism;
- Bank fees such as, but not limited to, interest on overdrafts;
- Fees associated to credit facilities;
- Non-recurring expenses, some of which may not be reasonably expected in the ordinary course of the SICAV's activities, including but not limited to, the cost of exceptional and/or ad hoc measures and fees for tax advisers, legal advice, expert assessment, introduction fees or fees for legal procedures to protect the interests of shareholders and any expenses associated with one-off agreements entered into by any third party in the interests of the shareholders.

Costs and expenses relating to updating the Prospectus may be amortised over five years.

The charges and costs relating to opening a specific Sub-Fund may be amortised over five years exclusively in relation to the assets of such new Sub-Fund.

Any expenses and costs not directly attributable to a specific Sub-Fund will be charged equally among the various Sub-Funds or, where the amount of expenses and costs so requires, will be allocated among the Sub-Funds proportionate to their respective net assets.

Under the conditions set down in the Law of 2010, the legal, advisory or administrative costs associated with preparing and carrying out the merger of one or more Sub-Funds of the SICAV may not be charged to the respective Sub-Funds / the SICAV.

The charges and costs relating to opening a new Sub-Fund may be amortized over five years exclusively in relation to the assets of this new Sub-Fund.

Other expenses and costs not directly attributable to a specific Sub-Fund will be allocated to the various Sub-Funds proportionate to their respective net assets.

In certain jurisdictions where the shares of the SICAV are authorized for marketing, costs might be charged by any local paying agent in remuneration for the services provided.

## 25. Information to shareholders

### 25.1. Publication of the net asset value

The net asset value per share of each Sub-Fund and/or of each Share Class and the issue, redemption and conversion prices will be published on each Valuation Date at the registered office of the SICAV and at the registered office of the financial service agents in the countries where the SICAV is authorized for public marketing of its shares and on www.candriam.com.

### 25.2. Notices to shareholders

The information notices to the attention of the shareholders will be:

- sent to registered shareholders;
- if required by the local legislation, published in Luxembourg and in the countries where the shares of the SICAV are authorized for public marketing in any newspaper selected by the Board of Directors.

### 25.3. Reports and financial statements

The financial statements of the SICAV are prepared in compliance with the generally accepted accounting principles in Luxembourg, known as "Luxembourg GAAP".

The financial reports to shareholders on the previous financial year will be available at the registered office of the SICAV.
The financial year of the SICAV ends on December 31st of each year.

### 25.4. Available information and documents of the SICAV

The Prospectus, Articles, key investor information documents and annual and semi-annual reports of the SICAV are available, free of charge on request at the Registered Office of the SICAV, on banking days and during usual business hours, or directly at www.candriam.com.

The Depositary Bank and Principal Paying Agent Agreement, the Management Company Agreement and the Operational and Administrative Charges Agreement concluded by the SICAV are available for inspection during normal business hours on bank business days at the registered office of the SICAV.

Those documents can also be obtained free of charge on request from the financial service agents in the countries where the SICAV is authorized for public marketing of its shares.

For Sub-Funds qualifying as MMFs, the following information shall be made available weekly, pursuant to the MMFR, on www.candriam.com:
- the maturity breakdown of the portfolio;
- the credit profile;

- the WAM and WAL;
- details of the 10 largest holdings;
- the total value of the net assets;
- the net yield.

### 25.5. Auditors

PricewaterhouseCoopers Luxembourg is responsible for the auditing of the accounts and the annual reports of the SICAV.

### 25.6. Additional information

In order to meet regulatory and/or tax requirements, the Management Company may, over and above the legal publications, communicate to investors requesting it the SICAV's portfolio composition and all information relating to it.

### 25.7. Information for investors located in Asia

To facilitate communication in the Asian time zones, investors have the option of contacting CACEIS Hong Kong Trust Company Limited directly to transmit their share subscription, redemption or conversion orders and to obtain any information or documentation concerning customer identification and/or Personal Data.

# Appendix I - Fact sheets

# CANDRIAM SUSTAINABLE
# Balanced Asset Allocation

## - Fact Sheet -

This Sub-Fund is classified under Art 9. of the SFDR Regulation, i.e. it pursues a sustainable investment objective.

### 1. Investment objectives and investor profile

The aim of the Sub-Fund is to enable shareholders to benefit from the evolution of the global bonds markets as well as from the growth potential of the global equity markets and to outperform the benchmark.

The Sub-Fund will focus on a balance between investments in bonds and in equities. The portfolio is managed on a discretionary basis.

The selection is based on the securities characteristics, growth prospects and proprietary analysis of ESG criteria.

In line with the SICAV's overall sustainability objectives, the Sub-Fund aims to have long-term positive impact on environment and social domains either by direct investment or through investments in UCITS and/or UCI.

The Sub-Fund is intended for investors who seek to benefit from the evolution of the international bonds market and who are prepared to accept the risks of participating in international equity markets. The client must be aware of, understand and be able to bear the specific risks of the Sub-Fund listed below and defined in the Risk Factors section of the Prospectus.

### 2. Investment policy

This Sub-Fund primarily invests in the following asset classes, either by direct investment, or through UCITS and/or other UCI (mainly funds managed by Candriam):

- Debt instruments and/or other similar eligible securities (bonds and financial instruments having the same characteristics, including investment grade bonds, high yield bonds, inflation linked bonds, etc.);
- Equities and/or other similar eligible securities.

The Sub-Fund may also be invested, on an ancillary basis, either by direct investments, or through UCITS and/or other UCI in:

- Money market instruments
- Deposits or cash.

The neutral equity weight in the portfolio is about 50%.

Nevertheless, the equity & bond exposure can vary according to the Sub-Fund manager's expectations of the trend of the financial markets.

The Sub-Fund's assets are selected on the basis of an economic/financial analysis process as well as on ESG considerations, both indicative of risks and long-term opportunities.

The ESG aspects are analysed through a methodology developed by the Management Company and detailed under the section Investment Objectives in the Core part of this Prospectus.

The results of the ESG analysis are integrated into the financial management of the portfolio. This analysis aims to better enable managers to identify the risks, but also the opportunities, arising from the major challenges of sustainable development.
The ESG analysis covers the entire portfolio of the Sub-Fund, excluding deposits, cash and index derivatives.

**Implementation of the SICAV's sustainable objectives**

The Sub-Fund aims to achieve a carbon footprint that is at least 25% lower than carbon footprint of the Benchmark. For the scope taken into account as well as the methodology relating to the carbon footprint, please refer to the Transparency Code on Candriam's website, see link under section *Investment Objectives* of the Prospectus.

The Sub-Fund invests at least 90% of the portfolio in investments that comply with one of the following approaches:

- Reduces the analysed investment universe by, at least 20%, removing from the analysed investment universe in first instance issuers presenting significant ESG related risks; or
- Provides a higher ESG quality compared to the average ESG quality of the analysed investment universe, after removing from this universe the bottom 20% of issuers in terms of ESG score; or
- Any other significant ESG approach.

A broad majority of the funds of the portfolio, are UCITS and/or UCI that have a sustainable investment objective. UCITS / UCI with a sustainable investment objective may have several types of ESG objectives such as for example climate change, gender diversity, circular economy, or -for countries- promoting democratic changes and sustainable environmental practices.

For investments in direct lines corporate issuances have to qualify as Sustainable Investments.

**Engagement and vote**

The selection and allocation process is also accompanied, where applicable indirectly via the underlying fund(s), by active stewardship, in particular through dialogue with companies and, as a shareholder, through voting at general meetings.

**Use of derivatives**

The Sub-Fund may use derivative financial instruments on the regulated or over-the-counter market (notably via swaps, forwards, options or futures) for the purpose of hedging or exposure.

The underlying instruments of these derivative financial instruments can be currencies, interest rates, credit spreads or equities.

**Other ESG aspects**

At the date of the Prospectus, the Sub-Fund has not filed for the French SRI Label.

**For further information on the ESG analysis please refer to the Transparency Code on Candriam's website, see link under section *Investment Objectives* of the Prospectus.**

**3. Efficient portfolio management techniques**

The sub-fund will conclude reverse repurchase transactions for an expected proportion that may vary between 0% and 25 % of the net assets and which may reach a maximum of 50% of the net assets under specific market conditions.
**The sub-fund will use reverse repurchase agreements, especially if market conditions justify it and only if an investment of cash through such an operation is justified**.

The sub-fund will conclude repurchase transactions for an expected proportion that may vary between 0% and 10% of the net assets and which may reach a maximum of 10% of the net assets.
**In any case, these transactions will be justified by temporary liquidity needs**.

**4. Benchmark**

The Sub-Fund is actively managed and the investment approach implies a reference to a benchmark.
The selected benchmark does not explicitly take into account sustainability objectives.
There is no EU reference index on Climate Transition or no index aligned with the Paris Agreement or any other sustainable benchmark that takes full account of the sustainability objectives and the investment strategy as described in the present Prospectus.

| | |
|---|---|
| **Benchmark name** | 50% Bloomberg Euro-Aggregate 1-10 Year Index (TR)<br>+ 25% MSCI Europe (NR) /<br>+ 15% MSCI USA (NR)<br>+ 7.5% MSCI Emerging Markets (NR)<br>+ 2.5% MSCI Japan (NR) |
| **Benchmark definition** | Bloomberg Euro-Aggregate 1-10 Year Index : measures the performance of investment-grade EUR-denominated bonds within maturity bracket between 1 to 10 years.<br>MSCI Europe : measures the performance of the large and mid-capitalization equity segment across developed markets in Europe.<br>MSCI USA : measures the performance of the large and mid-capitalization equity segment of the US market.<br>MSCI Emerging Markets : measures the performance of the large and mid-capitalization equity segment across emerging markets countries.<br>MSCI Japan : measures the performance of the large and mid-capitalization equity segment of the Japanese market. |
| **Use of the benchmark** | ▪ in the determination of risk levels / parameters<br>▪ for performance comparison. |
| **Deviation level of the portfolio composition from the benchmark** | The Sub-Fund being managed actively, its objective is not to invest in all constituents of the benchmark, nor to invest to the same extent in the constituents of the benchmark. Under normal market conditions, the tracking error of the Sub-Fund will be limited to moderate, this is comprised between 0.5% and 3%.<br><br>This measure is an estimation of the deviation of the Sub-Fund's performance compared to the performance of the benchmark. The more the tracking error is important, the more deviations compared to the benchmark are important. The effective tracking error depends notably on the market conditions (volatility and correlations between financial instruments) and can deviate from the expected tracking error. |

| | | |
|---|---|---|
| **Benchmark provider** | Bloomberg<br>MSCI Limited | |
| | MSCI Limited and Bloomberg are, since Brexit, entities benefiting from the transitional provision of article 51, §5 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014. | |
| | The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company. | |

## 5. Eligibility of the Sub-Fund

The Sub-Fund qualifies as a *GITA Mixed Fund* as defined in the *Taxation* Chapter of the Prospectus.

## 6. Risk factors specific to the Sub-Fund and risk management

### 6.1 Risk factors specific to the Sub-Fund

- Risk of loss of capital
- Equity risk
- Interest rate risk
- Credit risk
- Foreign exchange risk
- Derivatives risk
- Emerging markets risk
- ESG Investment risk
- Counterparty risk
- Liquidity risk
- Volatility risk
- Risk of changes made to the reference index by the index provider
- Risk associated with external factors
- Sustainability risk

The general explanation of the various risk factors is given in the clause titled "Risk factors" in the Prospectus.

### 6.2 Risk Management

The total derivatives commitment will be calculated according to the commitment approach set down in CSSF circular 11/512.

**7. Base currency**: EUR

**8. Form of the shares**: registered shares only.

## 9. Share Classes

- **C**, capitalization shares, denominated in **EUR** [LU2428018571]
- **C**, distribution shares, denominated in **EUR** [LU2428018738]

- **I**, capitalization shares, denominated in **EUR** [LU2428018811]
- **I**, distribution shares, denominated in **EUR** [LU2428018902]

- **R**, capitalization shares, denominated in **EUR** [LU2428019033]

- **R2,** distribution shares, denominated in **EUR** [LU2428019116]

- **S**, capitalization shares, denominated in **EUR** [LU2428019207]

- **V**, capitalization shares, denominated in **EUR** [LU2428019389]

- **Z**, capitalization shares, denominated in **EUR** [LU2428019462]

## 10. Minimum initial subscription

There is no minimum initial subscription except for the V share class, for which the minimum initial subscription amount is EUR 15,000,000 or its equivalent in currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same Valuation Date.

## 11. Fees and charges

| Shares | Fees and charges | | | | |
|---|---|---|---|---|---|
| | Subscription (for the benefit of selling agents) | Conversion (for the benefit of selling agents) | Exit | Portfolio Management (*) (**) | Operational and Administrative Charges |
| C | Max. 3.5% | Max. 2.5% | 0% | Max. 1,30% | Max. 0.30% |
| I | 0% | 0% | 0% | Max. 0.60% | Max. 0.20% |
| R | Max. 3.5% | 0% | 0% | Max. 0.70% | Max. 0.30% |
| R2 | Max. 3.5% | Max. 2.5% | 0% | Max. 0.35% | Max. 0.30% |
| S | 0% | 0% | 0% | Max. 0.25% | Max. 0.20% |
| V | 0% | 0% | 0% | Max. 0.40% | Max. 0.20% |
| Z | 0% | 0% | 0% | 0% | Max. 0.20% |

*(*) The fees are expressed as an annual percentage of the average net asset value of the Share Class and are payable at the end of each month.*

*(**) 10% of the net management fees earned by Candriam are set aside to support sustainability initiatives, in accordance with the section "Candriam's commitment to support sustainability initiatives" described in the "Investment objectives" chapter of the Prospectus.*

## 12. Applicable cut-off times for the subscription, redemption and exchange of shares

| | |
|---|---|
| **D-1** | 17 noon (Luxembourg time) is the cut-off time. |
| **D** | Valuation Date |
| **D +1** | Calculation Date |
| **D+3** | Settlement date |

# CANDRIAM SUSTAINABLE
# Bond Emerging Markets

## - Fact Sheet -

This Sub-Fund is classified under Art 9. of the SFDR Regulation, i.e. it pursues a sustainable investment objective.

### 1. Investment objectives and investor profile

The aim of the Sub-Fund is to enable shareholders to benefit from the evolution of bonds and other debt securities denominated principally in the currencies of developed countries such as USD and EUR and, on an ancillary basis, in emerging market local currencies. The Sub-Fund will primarily invest in publicly traded sovereign, sub-sovereign debt issued by countries or, on an ancillary basis, in debt issued by companies based in emerging countries; moreover, the Sub-Fund will aim to outperform the benchmark. The securities are selected by the portfolio management team on a discretionary basis, based on analysis of macro-economic and creditworthiness factors, specific security characteristics, and proprietary analysis of ESG criteria.

The Sub-Fund contributes to the sustainable economic development whilst fostering emerging market specific sustainability objectives such as the promotion of democracy and sustainable environmental practices.

The Sub-Fund is intended for investors who seek to benefit from the evolution of bonds and other debt securities of emerging markets. The client must be aware of, understand and be able to bear the specific risks of the Sub-Fund listed below and defined in the Risk Factors section of the Prospectus.

### 2. Investment policy

The assets are principally invested in debt securities (bonds and other equivalent securities) which:

- may notably be at fixed or variable rates;
- are issued by public sector issuers in emerging countries, issued or guaranteed by emerging countries, public entities and semi-public issuers active in such countries; and
- are denominated principally in developed market currencies such as USD or EUR, and on an ancillary basis in emerging market currencies such as the Brazilian Real, the Mexican Peso, the Polish Zloty, etc.

The remainder of the assets are invested in:

- eligible securities other than those described above (notably corporate bonds, debt securities denominated in other currencies and/or debt securities issued or guaranteed by other countries, etc.);
- money market instruments other than those described above;
- a maximum of 10% in UCITS and UCIs whose fund rules have equivalent restrictions in respect to the below described rating requirements; and
- deposits or cash.

The Sub-Fund will not invest in asset backed securities and credit-linked instruments.

The debt securities must be rated B-/B3 at the time of acquisition by at least one of the rating agencies or considered by the Management Company to be of equivalent quality (in particular if there is no rating).
If at any time the Sub-Fund's assets are no longer compliant with the aforementioned rating requirements due to downgrade, they shall be sold, at the best interest of the investors, within 6 months' time. However, should securities no longer satisfying the rating requirements represent less than 3% of the net asset value of the Sub-Fund's assets, they may be tolerated by the Management Company provided that the interests of investors are not impaired.

Exposures to developed market currencies such as EUR are usually hedged back to the base currency of the Sub-Fund or USD.

The Sub-Fund is allowed to take exposure to emerging market foreign exchange risk. Thus, inherent in local currency denominated bonds might not be systematically hedged.

Securities/issuers are selected on the basis of analysis of macro-economic, creditworthiness, political and liquidity risks as well as on the basis of ESG considerations, with a view that the combination of financial and ESG risks are indicative of risks and long-term opportunities.

The ESG aspects are analysed through a methodology developed by the Management Company and detailed under the section *Investment Objectives* in the Core part of this Prospectus.

The results of the ESG analysis are integrated into the financial management of the portfolio. This analysis aims to better enable managers to identify the risks, but also the opportunities, arising from the major challenges of sustainable development.

The ESG analysis covers the entire portfolio of the Sub-Fund, excluding deposits, cash and index derivatives.

For Sovereign Issuers:

Candriam's ESG selection process retains countries which are well equipped to manage their human, natural and social capital in addition to economic capital, and which are not considered as highly oppressive regimes and/or are at risk from the perspective of terrorism financing and/or money laundering.

For Corporate Issuers:

On the basis of the ESG analysis and selection steps (ESG analysis, violations of the United Nations Global Compact, exclusion of controversial activities) listed under the section *Investment Objectives*, the Sub-Fund's analysed investment universe is reduced by at least 20%, removing from the analysed investment universe in first instance issuers presenting significant ESG-related risks.

**Implementation of the sustainable objectives**

For Sovereign Issuers:

Emerging market countries present a variety of political regimes, from parliamentarian democracies to authoritarian regimes, with various shapes of one or the other in-between. When it comes to investing in bonds issued by sovereign governments within a strategy focusing on sustainability, issues around democracy and political freedom should be part of the decision-making process. It is a matter of aligning investor values with the value of the political elite in investee countries. This conviction has led Candriam to set the Freedom House Total Score as a selection factor for the Sub-Fund, with the goal to achieve a higher weighted average score than the benchmark. In its own words, Freedom House *works to defend human* *rights and promote democratic change, with a focus on political rights and civil liberties.* Their analysis covers issues such as authoritarian reach, election integrity, media freedom, government accountability and transparency.

The Sub-Fund promotes sustainable environmental practices towards sovereign issuers. Therefore environmental performance are integrated into sovereign issuer analysis and selection and the Sub-Fund aims to achieve a CO2 Intensity Country score that is 30% lower than the score of the Sub-fund's reference benchmark.

Further to these specific metrics, the Sub-Fund focuses the selection of emerging market sovereign issuers on the basis of a broad proprietary ESG analysis encompassing climate change, as well as other social, human and governance considerations.
The Sub-Fund's objective is to invest in sovereign issuers that stand out for their better preparedness towards climate change whilst also demonstrating good practices in their approach to social, human and governance dimensions. This appraisal is captured within the country ESG score developed and calculated by Candriam for each emerging market country and forming the bedrock for the Sub-Fund's sustainable objective achievement.
The Sub-Fund's weighted average country ESG score aims to be higher than the weighted average ESG score of the Sub-fund's reference benchmark.

For Corporate Issuers:

Emerging market corporate issuers present some specific challenges when it comes to measuring their impact on climate change. Rare are those that communicate openly and systematically on the impact their activities could have on climate change or in return how climate change is likely to affect them.

Therefore the Sub-Fund focuses the achievement of the SICAV's sustainable objective on the exclusion of certain fossil energy production activities, i.e. those activities that are, in many emerging countries, the primary cause of greenhouse gas emissions. The Sub-fund aims to exclude corporate issuers generating a non-negligible part of their turnover from the extraction or utilisation of thermal coal (coal used to generate power). Should a corporate issuer initiate a new thermal coal related project, the aim is also to exclude it. More specific exclusions relating to the carbon emissions of power generation activities or the share of natural gas in energy companies' mix have also been defined and can be found in the Sub-Fund's Transparency Code on Candriam's website, see link under section *Investment Objectives* of the Prospectus.

**Engagement and vote**

The analysis and selection process is also accompanied by active involvement through dialogue with the companies.

**Use of derivatives**

The Sub-Fund may also use derivative financial instruments on the regulated or over-the-counter market for the purpose of hedging or exposure.

The underlyings of these derivative financial instruments can be currencies, interest rates and credit spreads such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps), forwards, options, futures.

**Other ESG aspects**

The Sub-Fund cannot obtain the French SRI Label as its allocation does not comprise at least 30% in corporate issuers.

**For further information on the ESG analysis please refer to the Transparency Code on Candriam's website, see link under section *Investment Objectives* of the Prospectus.**

## 3. Efficient portfolio management techniques

The sub-fund will conclude reverse repurchase transactions for an expected proportion that may vary between 0% and 25 % of the net assets and which may reach a maximum of 50% of the net assets under specific market conditions.
**The sub-fund will use reverse repurchase agreements, especially if market conditions justify it and only if an investment of cash through such an operation is justified**.

The sub-fund will conclude repurchase transactions for an expected proportion that may vary between 0% and 10% of the net assets and which may reach a maximum of 10% of the net assets.
**In any case, these transactions will be justified by temporary liquidity needs**.

## 4. Benchmark

The Sub-Fund is actively managed and the investment approach implies a reference to a benchmark.
The selected benchmark does not explicitly take into account sustainability objectives.
There is no EU reference index on Climate Transition or no index aligned with the Paris Agreement or any other sustainable benchmark that takes full account of the sustainability objectives and the investment strategy as described in the present Prospectus.

| | |
|---|---|
| **Benchmark name** | J.P. Morgan EMBI Global Diversified (Total Return) |
| **Benchmark definition** | The index measures the performance of USD-denominated emerging markets sovereign and quasi-sovereign bonds using a diversification scheme that allows for more even weight distribution among the countries in the index. |
| **Use of the benchmark** | ▪ as investment universe. In general, the issuers in the portfolio of the Sub-Fund are for the majority part of the benchmark. This said, investments outside this benchmark are admitted;<br>▪ in the determination of risk levels / parameters<br>▪ for performance comparison. |
| **Deviation level of the portfolio composition from the benchmark** | The Sub-Fund being managed actively, its objective is not to invest in all constituents of the benchmark, nor to invest to the same extent in the constituents of the benchmark. Under normal market conditions, the tracking error of the Sub-Fund will be moderate to important, this is comprised between 0.75% and 3%.<br><br>This measure is an estimation of the deviation of the Sub-Fund's performance compared to the performance of the benchmark. The more the tracking error is important, the more deviations compared to the benchmark are important. The effective tracking error depends notably on the market conditions (volatility and correlations between financial instruments) and can deviate from the expected tracking error. |

| | | |
|---|---|---|
| **Benchmark provider** | J.P. Morgan Securities PLC | |
| | The benchmark provider is, since Brexit, an entity benefiting from the transitional provision of article 51, §5 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014. | |
| | The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company. | |

## 5. Risk factors specific to the Sub-Fund and risk management

### 5.1 Risk factors specific to the Sub-Fund

- Risk of loss of capital
- Interest rate risk
- Credit risk
- Counterparty risk
- Emerging markets risk
- ESG Investment risk
- Foreign exchange risk
- Liquidity risk
- Derivatives risk
- Bond Connect Risk
- Risk of changes made to the reference index by the index provider
- Risk associated with external factors
- Share class hedging risk
- Sustainability risk

The general explanation of the various risk factors is given in the clause titled "Risk factors" in the Prospectus.

### 5.2 Risk Management

The total derivatives commitment will be calculated according to the commitment approach set down in CSSF circular 11/512.

## 6. Base currency: USD

## 7. Form of the shares: registered shares only.

## 8. Share Classes

- **C**, capitalization shares, denominated in **USD** [LU1434519416]
- **C**, distribution shares, denominated in **USD** [LU1434519507]
- C, capitalization shares, denominated in **EUR** [LU2264875068]
- **C-H**, capitalization shares, denominated in **EUR** [LU2016899614]
- **C-H,** capitalization shares, denominated in **CHF** [LU2109443387]

- **I**, capitalization shares, denominated in **USD** [LU1434519689]
- **I**, distribution shares, denominated in **USD** [LU1434519762]
- **I-H**, capitalization shares, denominated in **EUR** [LU1434519846]
- **I-H,** capitalization shares, denominated in **CHF** [LU2059770078]
- **I-H,** distribution shares, denominated in **EUR** [LU1580881933]
- **I-H**, distribution shares, denominated in **GBP** [LU1797946164]

- **N**, capitalization shares, denominated in **USD** [LU2027379358]

- **R**, capitalization shares, denominated in **USD** [LU1434519929]
- **R**, capitalization shares, denominated in **EUR** [LU1434520000]
- **R,** distribution shares, denominated in **EUR** [LU1720116752]
- **R-H,** capitalization shares, denominated in **EUR** [LU2016899705]
- **R-H,** distribution shares, denominated in **EUR** [LU1797946248]
- **R-H,** capitalization shares, denominated in **GBP** [LU1953289276]
- **R-H,** capitalization shares, denominated in **CHF** [LU2059770151]

- **R2,** capitalization shares, denominated in **USD** [LU1434520182]
- **R2,** distribution shares, denominated in **USD** [LU1439992113]
- **R2-H**, distribution shares, denominated in **EUR** [LU2328290445]

- **V**, capitalization shares, denominated in **USD** [LU1434520265]
- **V**, distribution shares, denominated in **USD** [LU2211179648]
- **V-H**, capitalization shares, denominated in **EUR** [LU1434520349]
- **V-H,** capitalization shares, denominated in **CHF** [LU2059770235]

- **Z**, capitalization shares, denominated in **USD** [LU1434520422]
- **Z**, distribution shares, denominated in **USD** [LU1434520695]
- **Z-H,** capitalization shares, denominated in **EUR** [LU2059770318]

### 9. Minimum initial subscription

There is no minimum initial subscription except for the **V** share class, for which the minimum initial subscription amount is EUR 15,000,000 or its equivalent in currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same Valuation Date.

## 10.Fees and charges

| Shares | Fees and charges | | | | |
|---|---|---|---|---|---|
| | Subscription (for the benefit of selling agents) | Conversion (for the benefit of selling agents) | Exit | Portfolio Management (*) (**) | Operational and Administrative Charges |
| C | Max. 3.5% | Max. 2.5% | 0% | Max. 1,20% | Max. 0.35% |
| I | 0% | 0% | 0% | Max. 0.65% | Max. 0.28% |
| N | 0% | 0% | 0% | Max. 1,60% | Max. 0.35% |
| R | Max. 3.5% | 0% | 0% | Max. 0.70% | Max. 0.35% |
| R2 | Max. 3.5% | Max. 2.5% | 0% | Max. 0.30% | Max. 0.35% |
| V | 0% | 0% | 0% | Max. 0.40% | Max. 0.28% |
| Z | 0% | 0% | 0% | 0% | Max. 0.28% |

*(*) The fees are expressed as an annual percentage of the average net asset value of the Share Class and are payable at the end of each month.*

*(**) 10% of the net management fees earned by Candriam are set aside to support sustainability initiatives, in accordance with the section "Candriam's commitment to support sustainability initiatives" described in the "Investment objectives" chapter of the Prospectus.*

## 11.Applicable cut-off times for the subscription, redemption and exchange of shares

| | |
|---|---|
| **D** | 12 noon (Luxembourg time) is the cut-off time. |
| **D** | Valuation Date |
| **D +1** | Calculation Date |
| **D+3** | Settlement date |

# CANDRIAM SUSTAINABLE
# Bond Euro

## - Fact Sheet -

This Sub-Fund is classified under Art 9. of the SFDR Regulation, i.e. it pursues a sustainable investment objective.

### 1. Investment objectives and investor profile

The aim of the Sub-Fund is to enable shareholders to benefit from the growth of euro-denominated bonds markets, with an investment in securities selected by the portfolio management team on a discretionary basis and to outperform the benchmark. The selection is mainly based on fundamental company and country analysis, issuer and issue valuation, market technicals as well as proprietary analysis of ESG criteria.

In line with the SICAV's overall sustainability objectives, the Sub-Fund aims to contribute to reducing greenhouse gas emissions through specific targets as well as the integration of climate related indicators in issuer and securities analysis and aims to have long-term positive impact on environment and social domains.

The Sub-Fund is intended for investors who seek income consistent with the preservation of capital, together with the level of risk generally associated with euro-denominated bonds. The client must be aware of, understand and be able to bear the specific risks of the Sub-Fund listed below and defined in the Risk Factors section of the Prospectus.

### 2. Investment policy

The assets are principally invested in debt instruments (bonds and financial instruments having the same characteristics, including convertible bonds) which:

- are issued by both private (companies) and public (governments, international and supranational organizations, …) sector issuers;
- are denominated in EUR;
- may be at fixed or variable rates, indexed and / or, for a maximum of 20% Subordinated;
- are rated BBB-/Baa3 (or equivalent) at least by one of the independent rating agency or considered of comparable quality by the Management Company (notably when issue rating is missing).

The remainder of the assets are invested in:

- eligible securities other than those described above (notably debt securities denominated in other developed market currencies, convertible bonds, high yield bonds, *Contingent Convertible Bonds* (CoCos) for a maximum of 5% of the net assets, etc);
- money market instruments other than those described above;
- a maximum of 10% in UCI and UCITS;
- deposits or cash.

Exposures to currencies other than the euro may be hedged against foreign exchange risk, however the hedging won't be systematic.

Securities/issuers are selected on the basis of an economic/financial analysis process as well as on ESG considerations, both indicative of risks and long-term opportunities.

The ESG aspects are analysed through a methodology developed by the Management Company and detailed under the section *Investment Objectives* in the Core part of this Prospectus.

The results of the ESG analysis are integrated into the financial management of the portfolio. This analysis aims to better enable managers to identify the risks, but also the opportunities, arising from the major challenges of sustainable development.

The ESG analysis covers the entire portfolio of the Sub-Fund, excluding deposits, cash and index derivatives.

**Implementation of the SICAV's sustainable objectives**

For Corporate Issuers:

The Sub-Fund aims to achieve a carbon footprint that is at least 30% lower than carbon footprint of the Benchmark. For the scope taken into account as well as the methodology relating to the carbon footprint, please refer to the Transparency Code on Candriam's website, see link under section *Investment Objectives* of the Prospectus.

On the basis of the ESG analysis and selection steps (ESG analysis, violations of the United Nations Global Compact, exclusion of controversial activities) listed under the section *Investment Objectives*, the Sub-Fund's analysed investment universe is reduced by at least 20%, removing from the analysed investment universe in first instance issuers presenting significant ESG-related risks.

For Sovereign Issuers:

Through its investments in sovereign bonds issued in Euro, the Sub-Fund is susceptible to invest in bonds issued by European, as well as non-European countries. The Sub-Fund focuses the selection of sovereign issuers on the basis of a broad proprietary ESG analysis encompassing climate change, as well as other social, human and economic considerations.

The aim to have long-term positive impact on environment and social domains is currently assessed by the calculation of an ESG score which results from Candriam's proprietary ESG analysis.
To fulfil this sustainable objective, the Sub-Fund's weighted average ESG score, including corporate and sovereign issuers, aims to be higher than the weighted average ESG score of the Benchmark.

A large part of bonds contributing to climate change mitigation and adaptation are now issued in the form of Green Bonds. The Sub-Fund aims to invest at least 10% of its assets under management into Green Bonds. This share of Green Bonds aims to rise to 20% by the end of 2025, in line with the development of the Green Bond market and the diversification of issuers. Green Bonds eligible to the Sub-Fund may include sovereign, quasi-sovereign as well as corporate issuances.

**Engagement and vote**

The analysis and selection process is also accompanied by active involvement through dialogue with the companies.

**Use of derivatives**

The Sub-Fund may also use derivative financial instruments on the regulated or over-the-counter market for the purpose of hedging or exposure.

The underlyings of these derivative financial instruments can be currencies, interest rates and credit spreads such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps), forwards, options, futures.

**For further information on the ESG analysis please refer to the Transparency Code on Candriam's website, see link under section *Investment Objectives* of the Prospectus.**

## 3. Efficient portfolio management techniques

The sub-fund will conclude reverse repurchase transactions for an expected proportion that may vary between 0% and 25 % of the net assets and which may reach a maximum of 50% of the net assets under specific market conditions.
**The sub-fund will use reverse repurchase agreements, especially if market conditions justify it and only if an investment of cash through such an operation is justified**.

The sub-fund will conclude repurchase transactions for an expected proportion that may vary between 0% and 10% of the net assets and which may reach a maximum of 10% of the net assets.
**In any case, these transactions will be justified by temporary liquidity needs**.

## 4. Benchmark

The Sub-Fund is actively managed and the investment approach implies a reference to a benchmark.
The selected benchmark does not explicitly take into account sustainability objectives.
There is no EU reference index on Climate Transition or no index aligned with the Paris Agreement or any other sustainable benchmark that takes full account of the sustainability objectives and the investment strategy as described in the present Prospectus.

| | |
|---|---|
| **Benchmark name** | iBoxx EUR Overall (Total Return) |
| **Benchmark definition** | The index measures the performance of investment-grade EUR-denominated bonds. |
| **Use of the benchmark** | ▪ as investment universe. In general, the issuers in the portfolio of the Sub-Fund are for the majority part of the benchmark. This said, investments outside this benchmark are admitted.<br>▪ in the determination of risk levels / parameters<br>▪ for performance comparison. |
| **Deviation level of the portfolio composition from the benchmark** | The Sub-Fund being managed actively, its objective is not to invest in all constituents of the benchmark, nor to invest to the same extent in the constituents of the benchmark. Under normal market conditions, the tracking error of the Sub-Fund will be limited to moderate, this is comprised between 0.4% and 1.5%.<br><br>This measure is an estimation of the deviation of the Sub-Fund's performance compared to the performance of the benchmark. The more the tracking error is important, the more deviations compared to the benchmark are important. The effective tracking error depends notably on the market conditions (volatility and correlations between financial instruments) and can deviate from the expected tracking error. |

| | | |
|---|---|---|
| **Benchmark provider** | IHS Markit Benchmark Administration Limited | |
| | The benchmark provider is, since Brexit, an entity benefiting from the transitional provision of article 51, §5 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014. | |
| | The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company. | |

## 5. Risk factors specific to the Sub-Fund and risk management

### 5.1 Risk factors specific to the Sub-Fund

- Risk of loss of capital
- Interest rate risk
- Credit risk
- ESG Investment risk
- Liquidity risk
- Derivatives risk
- Equity risk
- Risk associated with investing in Contingent Convertible Bonds
- Foreign exchange risk
- Counterparty risk
- Emerging markets risk
- Risk of changes made to the reference index by the index provider
- Risk associated with external factors
- Sustainability risk

The general explanation of the various risk factors is given in the clause titled “Risk factors” in the Prospectus.

### 5.2 Risk Management

The total derivatives commitment will be calculated according to the commitment approach set down in CSSF circular 11/512.

**6. Base currency**: EUR.

**7. Form of the shares**: registered shares only.

## 8. Share Classes

- **C**, capitalization shares, denominated in **EUR** [LU1313769447]
- **C**, distribution shares, denominated in **EUR** [LU1313769520]

- **I**, capitalization shares, denominated in **EUR** [LU1313769793]
- **I**, distribution shares, denominated in **EUR** [LU1313769959]

- **N**, capitalization shares, denominated in **EUR** [LU2027379432]

- **R**, capitalization shares, denominated in **EUR** [LU1313770023]
- **R,** distribution shares, denominated in **EUR** [LU1720116836]

- **R2,** capitalization shares, denominated in **EUR** [LU1720116919]
- **R2,** distribution shares, denominated in **EUR** [LU1720117057]

- **V**, capitalization shares, denominated in **EUR** [LU1313770296]

- **Z**, capitalization shares, denominated in **EUR** [LU1313770379]
- **Z**, distribution shares, denominated in **EUR** [LU1434521230]

## 9. Minimum initial subscription

There is no minimum initial subscription except for the V share class, for which the minimum initial subscription amount is EUR 15,000,000 or its equivalent in in currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same Valuation Date.

## 10. Fees and charges

| Shares | Fees and charges | | | | |
|---|---|---|---|---|---|
| | Subscription (for the benefit of selling agents) | Conversion (for the benefit of selling agents) | Exit | Portfolio Management (*) (**) | Operational and Administrative Charges |
| C | Max. 3.5% | Max. 2.5% | 0% | Max. 0.60% | Max. 0.33% |
| I | 0% | 0% | 0% | Max. 0.30% | Max. 0.25% |
| N | 0% | 0% | 0% | Max. 1% | Max. 0.35% |
| R | Max. 3.5% | 0% | 0% | Max. 0.40% | Max. 0.33% |
| R2 | Max. 3.5% | Max. 2.5% | 0% | Max. 0.15% | Max. 0.33% |
| V | 0% | 0% | 0% | Max. 0.20% | Max. 0.25% |
| Z | 0% | 0% | 0% | 0% | Max. 0.25% |

*(*) The fees are expressed as an annual percentage of the average net asset value of the Share Class and are payable at the end of each month.*

*(**) 10% of the net management fees earned by Candriam are set aside to support sustainability initiatives, in accordance with the section "Candriam's commitment to support sustainability initiatives" described in the "Investment objectives" chapter of the Prospectus.*

## 11. Applicable cut-off times for the subscription, redemption and exchange of shares

| | |
|---|---|
| **D** | 12 noon (Luxembourg time) is the cut-off time. |
| **D** | Valuation Date |
| **D +1** | Calculation Date |
| **D+3** | Settlement date |

This Fact Sheet forms an integral part of the Prospectus dated 1st December 2022

# CANDRIAM SUSTAINABLE

# Bond Euro Corporate

## - Fact Sheet -

This Sub-Fund is classified under Art 9. of the SFDR Regulation, i.e. it pursues a sustainable investment objective.

### 1. Investment objectives and investor profile

The aim of the Sub-Fund is to enable shareholders to benefit from the growth of euro-denominated corporate bonds markets, with an investment in securities selected by the portfolio management team on a discretionary basis and to outperform the benchmark. The selection is based on the securities characteristics, growth prospects and proprietary analysis of ESG criteria.

In line with the SICAV's overall sustainability objectives, the Sub-Fund aims to contribute to reducing greenhouse gas emissions through specific targets as well as the integration of climate related indicators in issuer and securities analysis, and aims to have long-term positive impact on environment and social domains.

The Sub-Fund is intended for investors who seek income consistent with the preservation of capital, together with the level of risk generally associated with euro-denominated corporate bonds. The client must be aware of, understand and be able to bear the specific risks of the Sub-Fund listed below and defined in the Risk Factors section of the Prospectus.

### 2. Investment policy

The assets are principally invested in debt instruments (bonds and financial instruments having the same characteristics) which:

- are issued by private sector issuers (companies);
- are denominated in EUR;
- are rated BBB-/Baa3 (or equivalent) at least by one of the independent rating agency or considered of comparable quality by the Management Company (notably when issue rating is missing).
- may be at fixed or variable rates, indexed and / or, for a maximum of 20% Subordinated;

The remainder of the assets are invested in:

- eligible securities other than those described above (notably debt securities denominated in other developed market currencies, debt securities issued by public sector issuers, high yield bonds, convertible bonds, *Contingent Convertible Bonds* (CoCos) for a maximum of 5% of the net assets, etc);
- money market instruments other than those described above;
- a maximum of 10% in UCI and UCITS; and
- deposits or cash.

Exposures to currencies other than the euro may be hedged against foreign exchange risk, however the hedging won't be systematic.

Securities/issuers are selected on the basis of an economic/financial analysis process as well as on ESG considerations, both indicative of risks and long-term opportunities.

The ESG aspects are analysed through a methodology developed by the Management Company and detailed under the section *Investment Objectives* in the Core part of this Prospectus.

The results of the ESG analysis are integrated into the financial management of the portfolio. This analysis aims to better enable managers to identify the risks, but also the opportunities, arising from the major challenges of sustainable development.

The ESG analysis covers the entire portfolio of the Sub-Fund, excluding deposits, cash and index derivatives.

**Implementation of the SICAV's sustainable objectives**

The Sub-Fund aims to achieve a carbon footprint that is at least 30% lower than carbon footprint of the Benchmark. For the scope taken into account as well as the methodology relating to the carbon footprint, please refer to the Transparency Code on Candriam's website, see link under section *Investment Objectives* of the Prospectus.

A large part of bonds contributing to climate change mitigation and adaptation are now issued in the form of Green Bonds. The Sub-Fund aims to invest at least 10% of its assets under management into Green Bonds. This share of Green Bonds shall rise to 20% by the end of 2025, in line with the development of the Green Bond market and the diversification of issuers.

The aim to have long-term positive impact on environment and social domains is currently assessed by the calculation of an ESG score which results from Candriam's proprietary ESG analysis.
To fulfil this sustainable objective, the Sub-Fund's weighted average ESG score aims to be higher than the weighted average ESG score of the Benchmark.

On the basis of the ESG analysis and selection steps (ESG analysis, violations of the United Nations Global Compact, exclusion of controversial activities) listed under the section *Investment Objectives*, the Sub-Fund's analysed investment universe is reduced by at least 20%, by removing in first instance from the analysed investment universe issuers presenting significant ESG-related risks.

**Engagement and vote**

The analysis and selection process is also accompanied by active involvement through dialogue with the companies.

**Use of derivatives**

The Sub-Fund may also use derivative financial instruments on the regulated or over-the-counter market for the purpose of hedging or exposure.

The underlyings of these derivative financial instruments can be currencies, interest rates and credit spreads such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps), forwards, options, futures.

**For further information on the ESG analysis please refer to the Transparency Code on Candriam's website, see link under section *Investment Objectives* of the Prospectus**

## 3. Efficient portfolio management techniques

The sub-fund will conclude reverse repurchase transactions for an expected proportion that may vary between 0% and 25 % of the net assets and which may reach a maximum of 50% of the net assets under specific market conditions.
**The sub-fund will use reverse repurchase agreements, especially if market conditions justify it and only if an investment of cash through such an operation is justified**.

The sub-fund will conclude repurchase transactions for an expected proportion that may vary between 0% and 10% of the net assets and which may reach a maximum of 10% of the net assets.
**In any case, these transactions will be justified by temporary liquidity needs**.

## 4. Benchmark

The Sub-Fund is actively managed and the investment approach implies a reference to a benchmark.
The selected benchmark does not explicitly take into account sustainability objectives.
There is no EU reference index on Climate Transition or no index aligned with the Paris Agreement or any other sustainable benchmark that takes full account of the sustainability objectives and the investment strategy as described in the present Prospectus.

| | |
|---|---|
| **Benchmark name** | iBoxx EUR Corporates (Total Return) |
| **Benchmark definition** | The index measures the performance of investment-grade EUR-denominated corporate bonds. |
| **Use of the benchmark** | ▪ as investment universe. In general, the issuers in the portfolio of the Sub-Fund are for the majority part of the benchmark. This said, investments outside this benchmark are admitted.<br>▪ in the determination of risk levels / parameters<br>▪ for performance comparison. |
| **Deviation level of the portfolio composition from the benchmark** | The Sub-Fund being managed actively, its objective is not to invest in all constituents of the benchmark, nor to invest to the same extent in the constituents of the benchmark. Under normal market conditions, the tracking error of the Sub-Fund will be limited to moderate, this is comprised between 0.4% and 1.5%.<br>This measure is an estimation of the deviation of the Sub-Fund's performance compared to the performance of the benchmark. The more the tracking error is important, the more deviations compared to the benchmark are important. The effective tracking error depends notably on the market conditions (volatility and correlations between financial instruments) and can deviate from the expected tracking error. |
| **Benchmark provider** | IHS Markit Benchmark Administration Limited |
| | The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company. |

## 5. Risk factors specific to the Sub-Fund and risk management

### 5.1 Risk factors specific to the Sub-Fund

- Risk of loss of capital
- Interest rate risk
- Credit risk
- ESG Investment risk
- Liquidity risk
- Derivatives risk
- Risk associated with investing in Contingent Convertible Bonds
- Concentration risk
- Counterparty risk
- Risk of changes made to the reference index by the index provider
- Risk associated with external factors
- Share class hedging risk
- Sustainability risk

The general explanation of the various risk factors is given in the clause titled “Risk factors” in the Prospectus.

### 5.2 Risk Management

The total derivatives commitment will be calculated according to the commitment approach set down in CSSF circular 11/512.

**6. Base currency**: EUR.

**7. Form of the shares**: registered shares only.

## 8. Share Classes

- **BF**, capitalization shares, denominated in **EUR** [LU2178211186]
- **BF**, distribution shares, denominated in **EUR** [LU2178211269]

- **C**, capitalization shares, denominated in **EUR** [LU1313770452]
- **C**, distribution shares, denominated in **EUR** [LU1313770536]

- **I**, capitalization shares, denominated in **EUR** [LU1313770619]
- **I**, distribution shares, denominated in **EUR** [LU1313770700]

- **R**, capitalization shares, denominated in **EUR** [LU1313770882]
- **R,** distribution shares, denominated in **EUR** [LU1720117305]
- **R-H**, capitalization shares, denominated in **CHF** [LU1932633214]
- **R-H**, capitalization shares, denominated in **GBP** [LU1932633305]
- **R-H**, capitalization shares, denominated in **USD** [LU1932633487]

- **R2,** capitalization shares, denominated in **EUR** [LU1720117487]
- **R2,** distribution shares, denominated in **EUR** [LU1720117560]

- **V**, capitalization shares, denominated in **EUR** [LU1313770965]

- **Z**, capitalization shares, denominated in **EUR** [LU1313771005]
- **Z**, distribution shares, denominated in **EUR** [LU1434521743]

## 9. Minimum initial subscription

There is no minimum initial subscription except for the **V** share class, for which the minimum initial subscription amount is EUR 15,000,000 or its equivalent in currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same Valuation Date.

## 10. Fees and charges

| **Shares** | **Fees and charges** | | | | |
|---|---|---|---|---|---|
| | **Subscription (for the benefit of selling agents)** | **Conversion (for the benefit of selling agents)** | **Exit** | **Portfolio Management (*) (**)** | **Operational and Administrative Charges** |
| **BF** | **0%** | **0%** | **0%** | **Max. 0.30%** | **Max. 0.25%** |
| **C** | **Max. 3.5%** | **Max. 2.5%** | **0%** | **Max. 0.75%** | **Max. 0.33%** |
| **I** | **0%** | **0%** | **0%** | **Max. 0.40%** | **Max. 0.25%** |
| **R** | **Max. 3.5%** | **0%** | **0%** | **Max. 0.40%** | **Max. 0.33%** |
| **R2** | **Max. 3.5%** | **Max. 2.5%** | **0%** | **Max. 0.19%** | **Max. 0.33%** |
| **V** | **0%** | **0%** | **0%** | **Max. 0.25%** | **Max. 0.25%** |
| **Z** | **0%** | **0%** | **0%** | **0%** | **Max. 0.25%** |

*(*) The fees are expressed as an annual percentage of the average net asset value of the Share Class and are payable at the end of each month.*

**(*) 10% of the net management fees earned by Candriam are set aside to support sustainability initiatives, in accordance with the section "Candriam's commitment to support sustainability initiatives" described in the "Investment objectives" chapter of the Prospectus.*

## 11. Applicable cut-off times for the subscription, redemption and exchange of shares

| | |
|---|---|
| **D** | 12 noon (Luxembourg time) is the cut-off time. |
| **D** | Valuation Date |
| **D +1** | Calculation Date |
| **D+3** | Settlement date |

# CANDRIAM SUSTAINABLE

# Bond Euro Short Term

## - Fact Sheet -

This Sub-Fund is classified under Art 9. of the SFDR Regulation, i.e. it pursues a sustainable investment objective.

### 1. Investment objectives and investor profile

The aim of the Sub-Fund is to enable shareholders to benefit from the evolution of euro-denominated bonds markets, in particular from the short-term maturity segment, with an investment in securities selected by the portfolio management team on a discretionary basis and to outperform the benchmark. The selection is mainly based on fundamental company and country analysis, issuer and issue valuation, market technicals as well as proprietary analysis of ESG criteria.

In line with the SICAV's overall sustainability objectives, the Sub-Fund aims to contribute to reducing greenhouse gas emissions through specific targets as well as the integration of climate related indicators in issuer and securities analysis, and aims to have long-term positive impact on environment and social domains.

The Sub-Fund is intended for investors who seek to benefit from the evolution of the international euro-denominated short term bonds market, while being aware of the level of risk generally associated therewith.The client must be aware of, understand and be able to bear the specific risks of the Sub-Fund listed below and defined in the Risk Factors section of the Prospectus.

### 2. Investment policy

The assets are principally invested in debt instruments (bonds and financial instruments having the same characteristics) which:

- are issued by both private (companies) and public (governments, international and supranational organizations, …) sector issuers;
- are denominated in EUR;
- with a residual term of an investment not exceeding 3 years ;
- may be at fixed or variable rates, indexed and / or, for a maximum of 20% Subordinated; and
- are rated BBB-/Baa3 (or equivalent) at least by one of the independent rating agency or considered of comparable quality by the Management Company (notably when issue rating is missing).

The remainder of the assets are invested in:

- eligible securities other than those described above (notably debt securities with a residual term of investment until 5 years, debt securities denominated in other developed market currencies, convertible bonds, high yield bonds, etc);
- money market instruments other than those described above;
- a maximum of 10% in UCI and UCITS; and
- deposits or cash.

The Sub-Fund has a duration, i.e. sensitivity to movements in interest rates, not exceeding 3 years.

Exposures to currencies other than the euro may be hedged against foreign exchange risk, however the hedging won't be systematic.

Securities/issuers are selected on the basis of an economic/financial analysis process as well as on ESG considerations, both indicative of risks and long-term opportunities.

The ESG aspects are analysed through a methodology developed by the Management Company and detailed under the section *Investment Objectives* in the Core part of this Prospectus.

The results of the ESG analysis are integrated into the financial management of the portfolio. This analysis aims to better enable managers to identify the risks, but also the opportunities, arising from the major challenges of sustainable development.

The ESG analysis covers the entire portfolio of the Sub-Fund, excluding deposits, cash and index derivatives.

**Implementation of the SICAV's sustainable objectives**

For Corporate Issuers:

The Sub-Fund aims to achieve a carbon footprint that is at least 30% lower than carbon footprint of the Benchmark. For the scope taken into account as well as the methodology relating to the carbon footprint, please refer to the Transparency Code on Candriam's website, see link under section *Investment Objectives* of the Prospectus.

On the basis of the ESG analysis and selection steps (ESG analysis, violations of the United Nations Global Compact, exclusion of controversial activities) listed under the section *Investment Objectives*, the Sub-Fund's analysed investment universe is reduced by at least 20%, removing from the analysed investment universe in first instance issuers presenting significant ESG-related risks.

For Sovereign Issuers:

Through its investments in sovereign bonds issued in Euro, the Sub-Fund is susceptible to invest in bonds issued by European, as well as non-European countries. The Sub-Fund focuses the selection of sovereign issuers on the basis of a broad proprietary analysis encompassing climate change, as well as other social, human and economical considerations. The Sub-Fund's objective is to invest in sovereign issuers that stand out for their better preparedness towards climate change whilst also demonstrating good practices in their approach to social, human and economical dimensions. This appraisal is captured within the country ESG score calculated by Candriam for each country.

The aim to have long-term positive impact on environment and social domains is currently assessed by the calculation of an ESG score which results from Candriam's proprietary ESG analysis.

The Sub-Fund aims to achieve an overall weighted average ESG score, including corporate an sovereign issuers, higher than the score calculated for the Benchmark.

A large part of bonds contributing to climate change mitigation and adaptation are now issued in the form of Green Bonds. The Sub-at least 5% of its assets under management into Green Bonds This share of Green Bonds aims to rise to 20% by the end of 2025, in line with the development of the Green Bond market and the diversification of issuers. Green Bonds eligible to the Sub-Fund may include sovereign, quasi-sovereign as well as corporate issuances.

**Engagement and vote**

The analysis and selection process is also accompanied by active involvement through dialogue with the companies.

**Use of derivatives**

The Sub-Fund may also use derivative financial instruments on the regulated or over-the-counter market for the purpose of hedging or exposure.

The underlyings of these derivative financial instruments can be currencies, interest rates and credit spreads such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps), forwards, options, futures.

**For further information on the ESG analysis please refer to the Transparency Code on Candriam's website, see link under section *Investment Objectives* of the Prospectus.**

## 3. Efficient portfolio management techniques

The sub-fund will conclude reverse repurchase transactions for an expected proportion that may vary between 0% and 25 % of the net assets and which may reach a maximum of 50% of the net assets under specific market conditions.
**The sub-fund will use reverse repurchase agreements, especially if market conditions justify it and only if an investment of cash through such an operation is justified**.

The sub-fund will conclude repurchase transactions for an expected proportion that may vary between 0% and 10% of the net assets and which may reach a maximum of 10% of the net assets.
**In any case, these transactions will be justified by temporary liquidity needs**.

## 4. Benchmark

The Sub-Fund is actively managed and the investment approach implies a reference to a benchmark.
The selected benchmark does not explicitly take into account sustainability objectives.
There is no EU reference index on Climate Transition or no index aligned with the Paris Agreement or any other sustainable benchmark that takes full account of the sustainability objectives and the investment strategy as described in the present Prospectus.

| | |
|---|---|
| **Benchmark name** | iBoxx EUR Overall 1-3 (Total Return) |
| **Benchmark definition** | The index measures the performance of investment-grade EUR-denominated bonds within maturity bracket between 1 to 3 years. |
| **Use of the benchmark** | ▪ as investment universe. In general, the issuers in the portfolio of the Sub-Fund are for the majority part of the benchmark. This said, investments outside this benchmark are admitted.<br>▪ in the determination of risk levels / parameters<br>▪ for performance comparison. |
| **Deviation level of the portfolio composition from the benchmark** | The Sub-Fund being managed actively, its objective is not to invest in all constituents of the benchmark, nor to invest to the same extent in the constituents of the benchmark. Under normal market conditions, the tracking error of the Sub-Fund will comprised between 0% and 0.6%, which corresponds to limited to moderate deviations for a short term bonds Sub-Fund.<br><br>This measure is an estimation of the deviation of the Sub-Fund's performance compared to the performance of the benchmark. The more the tracking error is |

| | |
|---|---|
| | important, the more deviations compared to the benchmark are important. The effective tracking error depends notably on the market conditions (volatility and correlations between financial instruments) and can deviate from the expected tracking error. |
| **Benchmark provider** | IHS Markit Benchmark Administration Limited |
| | The benchmark provider is, since Brexit, an entity benefiting from the transitional provision of article 51, §5 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014. |
| | The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company. |

## 5. Risk factors specific to the Sub-Fund and risk management

### 5.1 Risk factors specific to the Sub-Fund

- Risk of loss of capital
- ESG investment risk
- Interest rate risk
- Credit risk
- Derivatives risk
- Counterparty risk
- Liquidity risk
- Risk of changes made to the reference index by the index provider
- Risk associated with external factors
- Sustainability risk

The general explanation of the various risk factors is given in the clause titled “Risk factors” in the Prospectus.

### 5.2 Risk Management

The total derivatives commitment will be calculated according to the commitment approach set down in CSSF circular 11/512.

**6. Base currency**: EUR.

**7. Form of the shares**: registered shares only.

## 8. Share Classes

- **C**, capitalization shares, denominated in **EUR** [LU1434521826]
- **C**, distribution shares, denominated in **EUR** [LU1434522048]

- **I**, capitalization shares, denominated in **EUR** [LU1434522477]
- **I**, distribution shares, denominated in **EUR** [LU1434522550]

- **R**, capitalization shares, denominated in **EUR** [LU1434522634]
- **R,** distribution shares, denominated in **EUR** [LU1720117644]

- **R2,** capitalization shares, denominated in **EUR** [LU1720117727]
- **R2,** distribution shares, denominated in **EUR** [LU1720117990]

- **S**, capitalization shares, denominated in **EUR** [LU2363112280]

- **V**, capitalization shares, denominated in **EUR** [LU1434522717]
- **V**, distribution shares, denominated in **EUR** [LU2364191341]

- **Z**, capitalization shares, denominated in **EUR** [LU1434522808]
- **Z**, distribution shares, denominated in **EUR** [LU1434522980]

## 9. Minimum initial subscription

There is no minimum initial subscription except for:

- the **V** share class, for which the minimum initial subscription amount is EUR 15,000,000 or its equivalent in currencies for classes denominated in foreign currencies.
- the **S** share class, for which the minimum initial subscription amount is EUR 25,000,000 or its equivalent in currencies for classes denominated in foreign currencies.

This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same Valuation Date.

## 10. Fees and charges

| Shares | Fees and charges | | | | |
|---|---|---|---|---|---|
| | Subscription (for the benefit of selling agents) | Conversion (for the benefit of selling agents) | Exit | Portfolio Management (*) (**) | Operational and Administrative Charges |
| C | Max. 3.5% | Max. 2.5% | 0% | Max. 0.40% | Max. 0.33% |
| I | 0% | 0% | 0% | Max. 0.25% | Max. 0.25% |
| R | Max. 3.5% | 0% | 0% | Max. 0.40% | Max. 0.33% |
| R2 | Max. 3.5% | Max. 2.5% | 0% | Max. 0.10% | Max. 0.33% |
| S | 0% | 0% | 0% | Max. 0.12% | Max. 0.25% |
| V | 0% | 0% | 0% | Max. 0.20% | Max. 0.25% |
| Z | 0% | 0% | 0% | 0% | Max. 0.25% |

*(*) The fees are expressed as an annual percentage of the average net asset value of the Share Class and are payable at the end of each month.*

*(**) 10% of the net management fees earned by Candriam are set aside to support sustainability initiatives, in accordance with the section “Candriam’s commitment to support sustainability initiatives” described in the “Investment objectives” chapter of the Prospectus.*

## 11. Applicable cut-off times for the subscription, redemption and exchange of shares

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|---|---|
| **D** | 12 noon (Luxembourg time) is the cut-off time. |
| **D** | Valuation Date |
| **D +1** | Calculation Date |
| **D+3** | Settlement date |

This Fact Sheet forms an integral part of the Prospectus dated 1st December 2022

# CANDRIAM SUSTAINABLE
# Bond Global
## - Fact Sheet -

This Sub-Fund is classified under Art 9. of the SFDR Regulation, i.e. it pursues a sustainable investment objective.

### 1. Investment objectives and investor profile

The aim of the Sub-Fund is to enable shareholders to benefit from the evolution of global bonds markets, with an investment in securities selected by the portfolio management team on a discretionary basis and to outperform the benchmark. The selection is based on the securities characteristics, growth prospects and proprietary analysis of ESG criteria.

In line with the SICAV's overall sustainability objectives, the Sub-Fund aims to contribute to reducing greenhouse gas emissions through specific targets as well as the integration of climate related indicators in issuer and securities analysis and aims to have long-term positive impact on environment and social domains.

The Sub-Fund is intended for investors who seek to benefit from the evolution of the international bonds market.The client must be aware of, understand and be able to bear the specific risks of the Sub-Fund listed below and defined in the Risk Factors section of the Prospectus.

### 2. Investment policy

The assets are principally invested in debt instruments (bonds and financial instruments having the same characteristics, including convertible bonds) which:

- are issued by both private (companies) and public (governments, international and supranational organizations, …) sector issuers;
- are denominated in various currencies;
- may be at fixed or variable rates, indexed and / or, for a maximum of 20% Subordinated; and
- are rated BBB-/Baa3 (or equivalent) at least by one of the independent rating agency or considered of comparable quality by the Management Company (notably when issue rating is missing).

The remainder of the assets are invested in:

- eligible securities other than those described above (notably convertible bonds, high yield bonds, Contingent Convertible Bonds (CoCos) for a maximum of 5% of the net assets, etc);
- money market instruments other than those described above;
- a maximum of 10% in UCI and UCITS;
- deposits or cash.

Securities/issuers are selected on the basis of an economic/financial analysis process as well as on ESG considerations, both indicative of risks and long-term opportunities.

The ESG aspects are analysed through a methodology developed by the Management Company and detailed under the section *Investment Objectives* in the Core part of this Prospectus.

The results of the ESG analysis are integrated into the financial management of the portfolio. This analysis aims to better enable managers to identify the risks, but also the opportunities, arising from the major challenges of sustainable development.

The ESG analysis covers the entire portfolio of the Sub-Fund, excluding deposits, cash and index derivatives.

**Implementation of the SICAV's sustainable objectives**

For Corporate Issuers:

The Sub-Fund aims to achieve a carbon footprint that is at least 30% lower than carbon footprint of the Benchmark. For the scope taken into account as well as the methodology relating to the carbon footprint, please refer to the Transparency Code on Candriam's website, see link under section *Investment Objectives* of the Prospectus.

On the basis of the ESG analysis and selection steps (ESG analysis, violations of the United Nations Global Compact, exclusion of controversial activities) listed under the section *Investment Objectives*, the Sub-Fund's analysed investment universe is reduced by at least 20%, by removing from the analysed investment universe in first instance issuers presenting significant ESG-related risks.

For Sovereign Issuers:

The Sub-Fund focuses the selection of sovereign issuers on the basis of a broad proprietary analysis encompassing climate change, as well as other social, human and economical considerations.

The Sub-Fund's objective is to invest in sovereign issuers that stand out for their better preparedness towards climate change whilst also demonstrating good practices in their approach to social, human and economical dimensions. This appraisal is captured within the country ESG score calculated by Candriam for each country.

The aim to have long-term positive impact on environment and social domains is currently assessed by the calculation of an ESG score which results from Candriam's proprietary ESG analysis.
To fulfil this sustainable objective, the Sub-Fund's weighted average ESG score, including corporate and sovereign issuers, aims to be higher than the weighted average ESG score of the Benchmark.

A large part of bonds contributing to climate change mitigation and adaptation are now issued in the form of Green Bonds. The Sub-Fund aims to invest at least 10% of its assets under management into Green Bonds. This share of Green Bonds aims to rise to 20% by the end of 2025, in line with the development of the Green Bond market and the diversification of issuers. Green Bonds eligible to the Sub-Fund may include sovereign, quasi-sovereign as well as corporate issuances.

**Engagement and vote**

The analysis and selection process is also accompanied by active involvement through dialogue with the companies.

**Use of derivatives**

The Sub-Fund may also use derivative financial instruments on the regulated or over-the-counter market for the purpose of hedging or exposure.

The underlyings of these derivative financial instruments can be currencies, interest rates and credit spreads such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps), forwards, options, futures.

**For further information on the ESG analysis please refer to the Transparency Code on Candriam's website, see link under section *Investment Objectives* of the Prospectus**.

**3. Efficient portfolio management techniques**

The sub-fund will conclude reverse repurchase transactions for an expected proportion that may vary between 0% and 25 % of the net assets and which may reach a maximum of 50% of the net assets under specific market conditions.
**The sub-fund will use reverse repurchase agreements, especially if market conditions justify it and only if an investment of cash through such an operation is justified**.

The sub-fund will conclude repurchase transactions for an expected proportion that may vary between 0% and 10% of the net assets and which may reach a maximum of 10% of the net assets.
**In any case, these transactions will be justified by temporary liquidity needs**.

The maximum proportion of the net assets of the Sub-Fund that can be subject to repurchase transactions, for liquidity purposes, is 10% of the net assets.

The expected proportion should generally be comprised between 0% and 10% of the net assets.

**4. Benchmark**

The Sub-Fund is actively managed and the investment approach implies a reference to a benchmark.
The selected benchmark does not explicitly take into account sustainability objectives.
There is no EU reference index on Climate Transition or no index aligned with the Paris Agreement or any other sustainable benchmark that takes full account of the sustainability objectives and the investment strategy as described in the present Prospectus.

| | |
|---|---|
| **Benchmark name** | Bloomberg Global Aggregate Index Unhedged EUR (Total Return) |
| **Benchmark definition** | The index measures the performance of investment-grade multi-currency bonds from global fixed income markets. |
| **Use of the benchmark** | ▪ as investment universe. In general, the issuers in the portfolio of the Sub-Fund are for the majority part of the benchmark. This said, investments outside this benchmark are admitted.<br>▪ in the determination of risk levels / parameters<br>▪ for performance comparison. |
| **Deviation level of the portfolio composition from the benchmark** | The Sub-Fund being managed actively, its objective is not to invest in all constituents of the benchmark, nor to invest to the same extent in the constituents of the benchmark. Under normal market conditions, the tracking error of the Sub-Fund will be limited to moderate, this is comprised between 0.4% and 1.5%.<br><br>This measure is an estimation of the deviation of the Sub-Fund's performance compared to the performance of the benchmark. The more the tracking error is |

| | |
|---|---|
| | important, the more deviations compared to the benchmark are important. The effective tracking error depends notably on the market conditions (volatility and correlations between financial instruments) and can deviate from the expected tracking error. |
| **Benchmark provider** | Bloomberg |
| | The benchmark provider is, since Brexit, an entity benefiting from the transitional provision of article 51, §5 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014. |
| | The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company. |

## 5. Risk factors specific to the Sub-Fund and risk management

### 5.1 Risk factors specific to the Sub-Fund

- Risk of loss of capital
- Interest rate risk
- Credit risk
- Foreign exchange risk
- ESG investment risk
- Derivatives risk
- Counterparty risk
- Equity risk
- Risk associated with investing in Contingent Convertible Bonds
- Liquidity risk
- Risk of changes made to the reference index by the index provider
- Risk associated with external factors
- Share class hedging risk
- Sustainability risk

The general explanation of the various risk factors is given in the clause titled “Risk factors” in the Prospectus.

### 5.2 Risk Management

The total derivatives commitment will be calculated according to the commitment approach set down in CSSF circular 11/512.

**6. Base currency**: EUR.

**7. Form of the shares**: registered shares only.

## 8. Share Classes

- **C**, capitalization shares, denominated in **EUR** [LU1434523012]
- **C**, distribution shares, denominated in **EUR** [LU1434523103]

- **I**, capitalization shares, denominated in **EUR** [LU1434523285]
- **I**, distribution shares, denominated in **EUR** [LU1434523368]

- **R**, capitalization shares, denominated in **EUR** [LU1434523442]
- **R-AH**, capitalization shares, denominated in **EUR** [LU2211181891]

- **R2**, capitalization shares, denominated in **EUR** [LU1720118295]
- **R2**, distribution shares, denominated in **EUR** [LU1720118022]

- **V**, capitalization shares, denominated in **EUR** [LU1434523525]
- **V-AH**, capitalization shares, denominated in **EUR** LU2211182196]
- **V(q)-AH**, distribution shares, denominated in **GBP** [LU2211182352]
- **V-AH**, capitalization shares, denominated in **USD** [LU2211182436]

- **Z**, capitalization shares, denominated in **EUR** [LU1434523798]
- **Z**, distribution shares, denominated in **EUR** [LU1434523871]

## 9. Minimum initial subscription

There is no minimum initial subscription except for the **V** share class, for which the minimum initial subscription amount is EUR 15,000,000 or its equivalent in in currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same Valuation Date.

## 10. Fees and charges

| Shares | Fees and charges | | | | |
|---|---|---|---|---|---|
| | Subscription (for the benefit of selling agents) | Conversion (for the benefit of selling agents) | Exit | Portfolio Management (*) (**) | Operational and Administrative Charges |
| C | Max. 3.5% | Max. 2.5% | 0% | Max. 0.75% | Max. 0.33% |
| I | 0% | 0% | 0% | Max. 0.40% | Max. 0.25% |
| R | Max. 3.5% | 0% | 0% | Max. 0.40% | Max. 0.33% |
| R2 | Max. 3.5% | Max. 2.5% | 0% | Max. 0.19% | Max. 0.33% |
| V | 0% | 0% | 0% | Max. 0.25% | Max. 0.25% |
| Z | 0% | 0% | 0% | 0% | Max. 0.25% |

*(*) The fees are expressed as an annual percentage of the average net asset value of the Share Class and are payable at the end of each month.*

*(**) 10% of the net management fees earned by Candriam are set aside to support sustainability initiatives, in accordance with the section "Candriam's commitment to support sustainability initiatives" described in the "Investment objectives" chapter of the Prospectus.*

## 11. Applicable cut-off times for the subscription, redemption and exchange of shares

| | |
|---|---|
| **D** | 12 noon (Luxembourg time) is the cut-off time. |
| **D** | Valuation Date |
| **D +1** | Calculation Date |
| **D+3** | Settlement date |

# CANDRIAM SUSTAINABLE

# Bond Global Convertible

## - Fact Sheet -

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This Sub-Fund is classified under Art 9. of the SFDR Regulation, i.e. it pursues a sustainable investment objective.

### 1. Investment objectives and investor profile

The aim of the Sub-Fund is to enable shareholders to benefit from the evolution of global convertible bonds markets by investing in convertible debt securities. The Sub-Fund will primarily invest in debt issued by corporate entities, moreover, the Sub-Fund will aim to outperform the benchmark.

The securities are selected by the portfolio management team on a discretionary basis, based on analysis of macro-economic and creditworthiness factors, specific security characteristics, and proprietary analysis of ESG criteria.

In line with the SICAV's overall sustainability objectives, the Sub-Fund aims to contribute to reducing greenhouse gas emissions through specific targets as well as the integration of climate related indicators in issuer and securities analysis, and aims to have long-term positive impact on environment and social domains.

The Sub-Fund is intended for investors who seek to benefit from the evolution of global convertible bonds and other debt securities. The client must be aware of, understand and be able to bear the specific risks of the Sub-Fund listed below and defined in the Risk Factors section of the Prospectus.

### 2. Investment policy

The assets are principally invested in convertible or exchangeable bonds and other debt instruments (bonds and financial instruments having the same characteristics) which:

- are issued by private sector issuers;
- are denominated in developed market currency;
- the issuer is rated B-/B3 (or equivalent) at least by one of the independent rating agency or considered of comparable quality by the Management Company (notably when issuer rating is missing)
- may be at fixed or variable rates, indexed.

The remainder of the assets are invested in:

- eligible securities other than those described above (non-rated securities, debt securities denominated in emerging market currencies, debt securities issued by public sector issuers, equity securities for a maximum of 10%);
- eligible money market instruments;
- a maximum of 10% in UCI and UCITS; and
- deposits or cash.

The debt securities must be rated B-/B3 at the time of acquisition by at least one of the rating agencies or considered by the Management Company to be of equivalent quality (in particular if there is no rating).
If at any time the Sub-Fund's assets are no longer compliant with the aforementioned rating requirements due to downgrade, they shall be sold at the best interest of the investors, within

6 months' time. However, should securities no longer satisfying the rating requirements represent less than 3% of the net asset value of the Sub-Fund's assets, they may be tolerated by the Management Company provided that the interests of investors are not impaired.
The sub-fund may synthetically replicate convertible bond exposure with the aim to access the risk profile of a convertible bond. Such positions might be achieved by combining the investment on a debt security and an equity option.

The exposure to currencies other than Euro will in principle not exceed 10% of the net assets.

Securities/issuers are selected on the basis of an economic/financial analysis process as well as on ESG considerations, both indicative of risks and long-term opportunities.

The ESG aspects are analyzed through a methodology developed by the Management Company and detailed under the section Investment Objectives in the Core part of this Prospectus.

The results of the ESG analysis are integrated into the financial management of the portfolio. This analysis aims to better enable managers to identify the risks, but also the opportunities, arising from the major challenges of sustainable development.

The ESG analysis covers the entire portfolio of the Sub-Fund, excluding deposits, cash and index derivatives.

**Implementation of the sustainable objectives**

The Sub-Fund aims to achieve a carbon footprint that is at least 30% lower than carbon footprint of the Benchmark. For the scope taken into account as well as the methodology relating to the carbon footprint, please refer to the Transparency Code on Candriam's website, see link under section Investment Objectives of the Prospectus.

The aim to have long-term positive impact on environment and social domains is currently assessed by the calculation of an ESG score which results from Candriam's proprietary ESG analysis.
To fulfil this sustainable objective, the Sub-Fund's weighted average ESG score aims to be higher than the weighted average ESG score of the Benchmark.

On the basis of the ESG analysis and selection steps (ESG analysis, violations of the United Nations Global Compact, exclusion of controversial activities) listed under the section Investment Objectives, the Sub-Fund's analysed investment universe is reduced by at least 20%, by removing in first instance from the analysed investment universe issuers presenting significant ESG-related risks.

**Engagement and vote**

The analysis and selection process is also accompanied by active involvement through dialogue with the companies.

**Use of derivatives**

The Sub-Fund may also use derivative financial instruments on the regulated or over-the-counter market for the purpose of hedging or exposure.

The underlyings of these derivative financial instruments can be currencies, interest rates and credit spreads, equities and equity indices such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps), forwards, options, futures.

**Other ESG aspects**

The sub-fund has not filed for the French SRI Label at the date of the Prospectus.

**For further information on the ESG analysis please refer to the Transparency Code on Candriam's website, see link under section *Investment Objectives* of the Prospectus.**

## 3. Efficient portfolio management techniques

The sub-fund will conclude reverse repurchase transactions for an expected proportion that may vary between 0% and 25 % of the net assets and which may reach a maximum of 50% of the net assets under specific market conditions.
**The sub-fund will use reverse repurchase agreements, especially if market conditions justify it and only if an investment of cash through such an operation is justified**.

The sub-fund will conclude repurchase transactions for an expected proportion that may vary between 0% and 10% of the net assets and which may reach a maximum of 10% of the net assets.
**In any case, these transactions will be justified by temporary liquidity needs**.

## 4. Benchmark

The Sub-Fund is actively managed and the investment approach implies a reference to a benchmark.
The selected benchmark does not explicitly take into account sustainability objectives.
There is no EU reference index on Climate Transition or no index aligned with the Paris Agreement or any other sustainable benchmark that takes full account of the sustainability objectives and the investment strategy as described in the present Prospectus.

| | |
|---|---|
| **Benchmark name** | Refinitiv Global Focus EUR Hedged Convertible Index |
| **Benchmark definition** | The index measures the performance of Global convertible bonds using a balanced diversification scheme. |
| **Use of the benchmark** | ▪ as investment universe. In general, the issuers in the portfolio of the Sub-Fund are for the majority part of the benchmark. This said, investments outside this benchmark are admitted;<br>▪ in the determination of risk levels / parameters<br>▪ for performance comparison. |
| **Deviation level of the portfolio composition from the benchmark** | The Sub-Fund being managed actively, its objective is not to invest in all constituents of the benchmark, nor to invest to the same extent in the constituents of the benchmark. Under normal market conditions, the tracking error of the Sub-Fund will be important, this is superior to 2.5%.<br><br>This measure is an estimation of the deviation of the Sub-Fund's performance compared to the performance of the benchmark. The more the tracking error is important, the more deviations compared to the benchmark are important. The effective tracking error depends notably on the market conditions (volatility and correlations between financial instruments) and can deviate from the expected tracking error. |
| **Benchmark provider** | Refinitiv Benchmark Services (UK) Ltd |
| | Refinitiv Benchmark Services (UK) Ltd is, since Brexit, an entity benefiting from the transitional provision of article 51, §5 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the |

| | |
|---|---|
| | performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014. |
| | The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company. |

## 5. Risk factors specific to the Sub-Fund and risk management

### 5.1 Risk factors specific to the Sub-Fund

- Risk of loss of capital
- Equity risk
- Interest rate risk
- Credit risk
- Emerging markets risk
- ESG Investment risk
- Liquidity risk
- Derivatives risk
- Counterparty risk
- Foreign exchange risk
- Volatility risk
- Risk of changes made to the reference index by the index provider
- Risk associated with external factors
- Sustainability risk

The general explanation of the various risk factors is given in the clause titled “Risk factors” in the Prospectus.

### 5.2 Risk Management

The total derivatives commitment will be calculated according to the commitment approach set down in CSSF circular 11/512.

**6. Base currency**: EUR

**7. Form of the shares**: registered shares only.

## 8. Share Classes

- **C**, capitalization shares, denominated in **EUR** [LU2428020718]
- **C**, distribution shares, denominated in **EUR** [LU2428020809]

- **I**, capitalization shares, denominated in **EUR** [LU2428020981]
- **I**, distribution shares, denominated in **EUR** [LU2428021013]

- **PI**, capitalization shares, denominated in **EUR** [LU2428021104]
- **PI**, distribution shares, denominated in **EUR** [LU2428021286]

- **R**, capitalization shares, denominated in **EUR** [LU2428021369]

- **R**, distribution shares, denominated in **EUR** [LU2428021443]

- **R2,** capitalization shares, denominated in **EUR** [LU2428021526]
- **R2,** distribution shares, denominated in **EUR** [LU2428021799]

- **Z**, capitalization shares, denominated in **EUR** [LU2428021872]
- **Z**, distribution shares, denominated in **EUR** [LU2428022094]

## 9. Minimum initial subscription

There is no minimum initial subscription except for the PI share class, for which the minimum initial subscription amount is EUR 1,000,000 or its equivalent in currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same Valuation Date.

## 10. Fees and charges

| Shares | Fees and charges | | | | |
|---|---|---|---|---|---|
| | Subscription (for the benefit of selling agents) | Conversion (for the benefit of selling agents) | Exit | Portfolio Management (*) (**) | Operational and Administrative Charges |
| C | Max. 3.5% | Max. 2.5% | 0% | Max. 1,50% | Max. 0.35% |
| I | 0% | 0% | 0% | Max. 0.80% | Max. 0.28% |
| PI | 0% | 0% | 0% | Max. 0.40% | Max. 0.35% |
| R | Max. 3.5% | 0% | 0% | Max. 0.80% | Max. 0.35% |
| R2 | Max. 3.5% | Max. 2.5% | 0% | Max. 0.40% | Max. 0.35% |
| Z | 0% | 0% | 0% | 0% | Max. 0.28% |

*(*) The fees are expressed as an annual percentage of the average net asset value of the Share Class and are payable at the end of each month.*

*(**) 10% of the net management fees earned by Candriam are set aside to support sustainability initiatives, in accordance with the section "Candriam's commitment to support sustainability initiatives" described in the "Investment objectives" chapter of the Prospectus.*

## 11. Applicable cut-off times for the subscription, redemption and exchange of shares

| | |
|---|---|
| **D** | 12 noon (Luxembourg time) is the cut-off time. |
| **D** | Valuation Date |
| **D +1** | Calculation Date |
| **D+3** | Settlement date |

# CANDRIAM SUSTAINABLE

## Bond Global High Yield

## - Fact Sheet -

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This Sub-Fund is classified under Art 9. of the SFDR Regulation, i.e. it pursues a sustainable investment objective.

### 1. Investment objectives and investor profile

The aim of the Sub-Fund is to enable shareholders to benefit from the evolution of global high yield bonds markets, with an investment in securities selected by the portfolio management team on a discretionary basis and to outperform the benchmark. The selection is mainly based on the securities financial characteristics and proprietary analysis of ESG criteria.

In line with the SICAV's overall sustainability objectives, the Sub-Fund aims to contribute to reducing greenhouse gas emissions through specific targets as well as the integration of climate related indicators in issuer and securities analysis and aims to have long-term positive impact on environment and social domains.

The Sub-Fund is intended for investors who seek to benefit from the evolution of the high yield bonds market, while being aware of the level of risk, including ESG-related risks, generally associated therewith. **The Sub-Fund intends to invest primarily in lower-rated (high yield) securities which are subject to greater credit and liquidity risks than higher rated securities. These high yield securities may be subject to greater fluctuations in market values and lower liquidity.** The client must be aware of, understand and be able to bear the specific risks of the Sub-Fund listed below and defined in the Risk Factors section of the Prospectus.

### 2. Investment policy

This Sub-Fund primarily invests in debt instruments (bonds and financial instruments having the same characteristics) from issuers that are rated minimum B-/B3 at least by one recognised rating agency or considered of equivalent rating category by the Management Company.

The remainder of the assets are invested in:

- eligible securities other than those described above (notably convertible bonds, etc);
- money market instruments;
- a maximum of 10% in UCITS and/or other UCIs; and
- deposits or cash.

The Sub-Fund will not invest in asset backed securities and credit-linked instruments.

The debt securities must be rated B-/B3 at the time of acquisition by at least one of the rating agencies or considered by the Management Company to be of equivalent quality (in particular if there is no rating).
If at any time the Sub-Fund's assets are no longer compliant with the aforementioned rating requirements due to downgrade, they shall be sold at the best interest of the investors, within 6 months' time. However, should securities no longer satisfying the rating requirements represent less than 3% of the net asset value of the Sub-Fund's assets, they may be tolerated by the Management Company provided that the interests of investors are not impaired.

The foreign exchange risk inherent to investments in instruments denominated in a currency that differs from the Fund currency might not be systematically hedged, meaning that a residual foreign exchange risk may remain.

Securities/issuers are selected on the basis of an economic/financial analysis process as well as on ESG considerations, both indicative of risks and long-term opportunities.

The ESG aspects are analysed through a methodology developed by the Management Company and detailed under the section *Investment Objectives* in the Core part of this Prospectus.

The results of the ESG analysis are integrated into the financial management of the portfolio. This analysis aims to better enable managers to identify the risks, but also the opportunities, arising from the major challenges of sustainable development.

The ESG analysis covers the entire portfolio of the Sub-Fund, excluding deposits, cash and index derivatives.

**Implementation of the SICAV's sustainable objectives**

The Sub-Fund aims to achieve a carbon footprint that is at least 30% lower than carbon footprint of the Benchmark. For the scope taken into account as well as the methodology relating to the carbon footprint, please refer to the Transparency Code on Candriam's website, see link under section *Investment Objectives* of the Prospectus.

The aim to have long-term positive impact on environment and social domains is currently assessed by the calculation of an ESG score which results from Candriam's proprietary ESG analysis.
To fulfil this sustainable objective, the Sub-Fund's weighted average ESG score aims to be higher than the weighted average ESG score of the Benchmark.

On the basis of the ESG analysis and selection steps (ESG analysis, violations of the United Nations Global Compact, exclusion of controversial activities) listed in the section *Investment Objectives*, the Sub-Fund's analysed investment universe is reduced by at least 20%, removing from the analysed investment universe in first instance issuers presenting significant ESG-related risks.

**Engagement and vote**

The analysis and selection process is also accompanied by active involvement through dialogue with the companies.

**Use of derivatives**

The Sub-Fund may use derivative financial instruments on the regulated or over-the-counter market for the purpose of hedging or exposure.

The underlyings of these derivative financial instruments can be currencies, interest rates and credit spreads such as swaps, forwards, options, futures.

The maximum proportion of the net assets of the Sub-Fund that can be subject to total return swaps transactions is 50%.
The expected proportion should generally be comprised between 0% and 25 % of the net assets.

**For further information on the ESG analysis please refer to the Transparency Code on Candriam's website see link under section *Investment Objectives* of the Prospectus.**

## 3. Efficient portfolio management techniques

The sub-fund will conclude reverse repurchase transactions for an expected proportion that may vary between 0% and 25 % of the net assets and which may reach a maximum of 50% of the net assets under specific market conditions.
**The sub-fund will use reverse repurchase agreements, especially if market conditions justify it and only if an investment of cash through such an operation is justified**.

The sub-fund will conclude repurchase transactions for an expected proportion that may vary between 0% and 10% of the net assets and which may reach a maximum of 10% of the net assets.
**In any case, these transactions will be justified by temporary liquidity needs**.

## 4. Benchmark

The Sub-Fund is actively managed and the investment approach implies a reference to a benchmark.
The selected benchmark does not explicitly take into account sustainability objectives.
There is no EU reference index on Climate Transition or no index aligned with the Paris Agreement or any other sustainable benchmark that takes full account of the sustainability objectives and the investment strategy as described in the present Prospectus.

| | |
|---|---|
| **Benchmark name** | ICE BofA BB-B Global High Yield Non-Financial Constrained Index Hedged EUR (Total Return) |
| **Benchmark definition** | The index measures the performance of USD, CAD, GBP and EUR-denominated non-financial corporate bonds below investment grade rated BB1 through B3 issued in the major domestic or eurobond markets and with issuer exposure capped at 2%. |
| **Use of the benchmark** | ▪ as investment universe. In general, the issuers in the portfolio of the Sub-Fund are for the majority part of the benchmark. This said, investments outside this benchmark are admitted.<br>▪ in the determination of risk levels / parameters<br>▪ for performance comparison. |
| **Deviation level of the portfolio composition from the benchmark** | The Sub-Fund being managed actively, its objective is not to invest in all constituents of the benchmark, nor to invest to the same extent in the constituents of the benchmark. Under normal market conditions, the tracking error of the Sub-Fund will be moderate to important, this is comprised between 0.75% and 3%.<br><br>This measure is an estimation of the deviation of the Sub-Fund's performance compared to the performance of the benchmark. The more the tracking error is important, the more deviations compared to the benchmark are important. The effective tracking error depends notably on the market conditions (volatility and correlations between financial instruments) and can deviate from the expected tracking error. |
| **Benchmark provider** | ICE Data Indices LLC |
| | The benchmark provider is, since Brexit, an entity benefiting from the transitional provision of article 51, §5 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014. |

| | |
|---|---|
| | The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company. |

**5. Risk factors specific to the Sub-Fund and risk management**

**5.1 Risk factors specific to the Sub-Fund**

- Risk of loss of capital
- Interest rate risk
- Credit risk
- ESG investment risk
- Liquidity risk
- Derivatives risk
- Counterparty risk
- Equity risk
- Foreign exchange risk
- Emerging markets risk
- Risk of changes made to the reference index by the index provider
- Risk associated with external factors
- Share class hedging risk
- Sustainability risk

The general explanation of the various risk factors is given in the clause titled "Risk factors" in the Prospectus.

**5.2 Risk Management**

The total derivatives commitment will be calculated according to the commitment approach set down in CSSF circular 11/512.

**6. Base currency**: EUR.

**7. Form of the shares: registered shares only.**

**8. Share Classes**

- **C**, capitalization shares, denominated in **EUR** [LU1644441120]
- **C**, distribution shares, denominated in **EUR** [LU1644441393]
- **C**, capitalization shares, denominated in **USD** [LU2109443460]
- **C(m)**, distribution shares, denominated in **USD** [LU2364191424]
- **C(m)-H**, distribution shares, denominated in **USD** [LU2364191697]

- **N**, capitalization shares, denominated in **EUR** [LU2027379515]

- **I**, capitalization shares, denominated in **EUR** [LU1644441476]
- **I**, distribution shares, denominated in **EUR** [LU1644441633]
- **I-H**, capitalization shares, denominated in **USD** [LU1644441559]
- **I-H**, distribution shares, denominated in **USD** [LU2211180653]
- **I-H**, capitalization shares, denominated in **CHF** [LU2211180497]
- **I**, capitalization shares, denominated in **USD** [LU2109443544]

- **PI**, capitalization shares, denominated in **EUR** [LU1797946081]

- **R**, capitalization shares, denominated in **EUR** [LU1644441716]
- **R**, distribution shares, denominated in **EUR** [LU1720118378]
- **R-H**, capitalization shares, denominated in **CHF** [LU2211180901]
- **R-H**, capitalization shares, denominated in **USD** [LU2211181206]
- **R-H**, capitalization shares, denominated in **GBP** [LU2333787716]

- **R2**, distribution shares, denominated in **EUR** [LU2363112363]

- **S**, capitalization shares, denominated in **EUR** [LU1720118451]
- **S-H**, capitalization shares, denominated in **USD** [LU2474803587]

- **V**, capitalization shares, denominated in **EUR** [LU1644441807]
- **V**, distribution shares, denominated in **EUR** [LU2501585488]

- **V-H**, capitalization shares, denominated in **CHF** [LU2211179721]
- **V-H**, capitalization shares, denominated in **USD** [LU2211180067]
- **V-H**, distribution shares, denominated in **USD** [LU2211180224]
- **V-H**, capitalization shares, denominated in **GBP** [LU2333787807]
- **V-H,** distribution shares, denominated in **GBP** [LU2501585561]

- **Z**, capitalization shares, denominated in **EUR** [LU1644441989]
- **Z**, distribution shares, denominated in **EUR** [LU1644442011]

### 9. Minimum initial subscription

There is no minimum initial subscription except for:

- the **V** share class, for which the minimum initial subscription amount is EUR 15,000,000 or its equivalent in in currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same Valuation Date.

- the **S** share class for which the minimum initial subscription amount is EUR 25,000,000 or its equivalent in in currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same Valuation Date.

- The **PI** share class for which the minimum initial subscription amount is EUR 1,000,000 or its equivalent in in currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same Valuation Date.

## 10. Fees and charges

| Shares | Fees and charges | | | | |
|---|---|---|---|---|---|
| | Subscription (for the benefit of selling agents) | Conversion (for the benefit of selling agents) | Exit | Portfolio Management (*) (**) | Operational and Administrative Charges |
| C | Max. 3.5% | Max. 2.5% | 0% | Max. 1.20% | Max. 0.35% |
| I | 0% | 0% | 0% | Max. 0.80% | Max. 0.28% |
| N | 0% | 0% | 0% | Max. 1.60% | Max. 0.35% |
| PI | 0% | 0% | 0% | Max. 0.80% | Max. 0.28% |
| R | Max. 3.5% | 0% | 0% | Max. 0.90% | Max. 0.35% |
| R2 | Max. 3.5% | Max. 2.5% | 0% | Max. 0.30% | Max. 0.35% |
| S | 0% | 0% | 0% | Max. 0.40% | Max. 0.28% |
| V | 0% | 0% | 0% | Max. 0.45% | Max. 0.28% |
| Z | 0% | 0% | 0% | 0% | Max. 0.28% |

*(*) The fees are expressed as an annual percentage of the average net asset value of the Share Class and are payable at the end of each month.*

*(**) 10% of the net management fees earned by Candriam are set aside to support sustainability initiatives, in accordance with the section "Candriam's commitment to support sustainability initiatives" described in the "Investment objectives" chapter of the Prospectus.*

## 11. Applicable cut-off times for the subscription, redemption and exchange of shares

| | |
|---|---|
| **D** | 12 noon (Luxembourg time) is the cut-off time. |
| **D** | Valuation Date |
| **D +1** | Calculation Date |
| **D+3** | Settlement date |

# CANDRIAM SUSTAINABLE

## Bond Impact

## - Fact Sheet -

This Sub-Fund is classified under Art 9. of the SFDR Regulation, i.e. it pursues a sustainable investment objective.

### 1. Investment objectives and investor profile

The aim of the Sub-Fund is to enable shareholders to benefit from the evolution of bonds markets, with an investment in securities selected by the portfolio management team on a discretionary basis, and to outperform the benchmark.

In line with the SICAV's overall sustainability objectives, the Sub-Fund aims to bring a positive impact by investing primarily into bonds for which the use of proceeds contributes to one or several Sustainable Development Goals (SDG) targets, thereby delivering a positive impact on the United Nations Sustainable Developments Goals. The Sub-Fund may also invest in bonds issued by companies whose primary business objective provides a strong positive impact on one or several SDGs.

The bond selection is based on an analysis of the securities characteristic and their growth prospects. This selection follows Candriam's proprietary evaluation of ESG criteria, as well as an analysis of underlying issuers' and projects' contribution to achieving the United Nations Sustainable Development Goals.

The Sub-Fund is intended for investors who seek to benefit from the evolution of the international bonds market. The client must be aware of, understand and be able to bear the specific risks of the Sub-Fund listed below and defined in the Risk Factors section of the Prospectus.

### 2. Investment policy

The assets are principally invested in debt instruments (bonds and financial instruments having the same characteristics, including convertible bonds) which:

- are issued by both private (companies) and public (governments, international and supranational organizations, …) sector issuers;
- are denominated in various currencies;
- may be at fixed or variable rates, indexed and / or, for a maximum of 10% Subordinated; and
- are rated BBB-/Baa3 (or equivalent) at least by one of the independent rating agency or considered of comparable quality by the Management Company (notably when issue rating is missing).

The remainder of the assets are invested in:

- eligible securities other than those described above (in particular high yield bonds (up to 20% of net assets, convertible bonds (up to 10% of net assets), inflation-linked bonds, *Contingent Convertible Bonds* (CoCos) (up to 5% of net assets), emerging market bonds, etc.) and/or;

- money market instruments other than those described above;
- a maximum of 10% in UCI and UCITS;
- deposits or cash.

Exposures to currencies other than the euro will in principle not exceed 10 % of the net assets.

Securities/issuers are selected on the basis of an economic/financial analysis process, and their positive contribution to SDGs, as well as on ESG considerations, each indicative of risks and long-term opportunities.

The ESG aspects are analysed through a methodology developed by the Management Company and detailed under the section *Investment Objectives* in the Core part of this Prospectus.

The results of the ESG analysis are integrated into the financial management of the portfolio. This analysis aims to better enable managers to identify the risks, but also the opportunities, arising from the major challenges of sustainable development.

The ESG analysis covers the entire portfolio of the Sub-Fund, excluding deposits, cash and index derivatives.

**Implementation of the SICAV's sustainable objectives**

The Sub-Fund aims to achieve the SICAV's sustainable objectives by investing principally in securities identified for their positive contribution to one or several of the Sustainable Development Goals expressed under the United Nations Development Program.
Such securities will be identified via an analysis of the use of proceeds and the underlying projects which they finance. The aim is to generate a positive long term impact through the selection of debt securities financing projects which are deemed aligned with the SDGs.

This might include for example, the investment into Green bonds contributing to climate change mitigation and adaptation, Social Bonds helping to provide decent housing, access to basic infrastructure and contribute to people's decent living conditions. Securities eligible to the Sub-Fund may include sovereign, quasi-sovereign as well as corporate issuances.

On the basis of the ESG analysis and selection steps described above the sub-fund will invest at least 75% of its assets into Green, Social or Sustainability. Bonds as defined by international standards such as, for example the Green Bond Principles maintained by the International Capital Market Association (ICMA), the EU Green Bond Standards or Social Bond Principles also developed by the ICMA.

**For additional details, please refer to the Transparency Code on Candriam's website, see link under section Investment Objectives of the Prospectus.**

**Engagement and vote**

The analysis and selection process is also accompanied by active involvement through dialogue with the companies.

**Use of derivatives**

The sub-fund may also use derivative financial instruments on the regulated and/or over-the-counter market (notably via foreign exchange transactions, options or futures) for the purpose of hedging or exposure.

The underlying of these derivative financial instruments can be currencies, credit or interest rates.

**Other ESG aspects**

At the date of the Prospectus, the Sub-Fund has not filed for the French SRI Label.

For further information, please refer to the Management Company's website and/or the annual report.

## 3. Efficient portfolio management techniques

The sub-fund will conclude reverse repurchase transactions for an expected proportion that may vary between 0% and 25 % of the net assets and which may reach a maximum of 50% of the net assets under specific market conditions.
**The sub-fund will use reverse repurchase agreements, especially if market conditions justify it and only if an investment of cash through such an operation is justified**.

The sub-fund will conclude repurchase transactions for an expected proportion that may vary between 0% and 10% of the net assets and which may reach a maximum of 10% of the net assets.
**In any case, these transactions will be justified by temporary liquidity needs**.

## 4. Benchmark

The Sub-Fund is actively managed and the investment approach implies a reference to a benchmark.
The selected benchmark does not explicitly take into account sustainability objectives.
There is no EU reference index on Climate Transition or no index aligned with the Paris Agreement or any other sustainable benchmark that takes full account of the sustainability objectives and the investment strategy as described in the present Prospectus.

| | |
|---|---|
| **Benchmark name** | iBoxx Euro Aggregate (Total Return) |
| **Benchmark definition** | The index measures the performance of investment-grade EUR-denominated bonds. |
| **Use of the benchmark** | ▪ as investment universe. In general, the issuers in the portfolio of the Sub-Fund are for the majority part of the benchmark. This said, investments outside this benchmark are admitted.<br>▪ in the determination of risk levels / parameters<br>▪ for performance comparison. |
| **Deviation level of the portfolio composition from the benchmark** | The Sub-Fund being managed actively, its objective is not to invest in all constituents of the benchmark, nor to invest to the same extent in the constituents of the benchmark. Under normal market conditions, the tracking error of the Sub-Fund will be moderate to important, this is comprised between 1% and 3%.<br><br>This measure is an estimation of the deviation of the Sub-Fund's performance compared to the performance of the benchmark. The more the tracking error is important, the more deviations compared to the benchmark are important. The effective tracking error depends notably on the market conditions (volatility and correlations between financial instruments) and can deviate from the expected tracking error. |

| | | |
|---|---|---|
| **Benchmark provider** | IHS Markit Benchmark Administration Limited |
| | The benchmark provider is, since Brexit, an entity benefiting from the transitional provision of article 51, §5 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014. |
| | The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company. |

## 5. Risk factors specific to the Sub-Fund and risk management

### 5.1 Risk factors specific to the Sub-Fund

- Risk of loss of capital
- Interest rate risk
- Credit risk
- ESG Investment risk
- Derivatives risk
- Counterparty risk
- Equity risk
- Risk associated with investing in Contingent Convertible Bonds
- Foreign exchange risk
- Liquidity risk
- Emerging markets risk
- Risk of changes made to the reference index by the index provider
- Risk associated with external factors
- Sustainability risk

The general explanation of the various risk factors is given in the clause titled “Risk factors” in the Prospectus.

### 5.2 Risk Management

The total derivatives commitment will be calculated according to the commitment approach set down in CSSF circular 11/512.

6. **Base currency**: EUR.

7. **Form of the shares**: registered shares only.

## 8. Share Classes

- **C**, capitalization shares, denominated in **EUR** [LU2369559823]
- **C**, distribution shares, denominated in **EUR** [LU2369560086]

- **I**, capitalization shares, denominated in **EUR** [LU2369560169]

- **I**, distribution shares, denominated in **EUR** [LU2369560243]

- **N**, capitalization shares, denominated in **EUR** [LU2421360129]

- **R**, capitalization shares, denominated in **EUR** [LU2369560326]
- **R,** distribution shares, denominated in **EUR** [LU2369560599]

- **R2,** capitalization shares, denominated in **EUR** [LU2369560672]
- **R2,** distribution shares, denominated in **EUR** [LU2369560755]

- **PI**, capitalization shares, denominated in **EUR** [LU2369560839]
- **PI**, distribution shares, denominated in **EUR** [LU2369560912]

- **S**, distribution shares, denominated in **EUR** [LU2369561050]

- **V**, capitalization shares, denominated in **EUR** [LU2369561134]

- **Z**, capitalization shares, denominated in **EUR** [LU2369561217]
- **Z**, distribution shares, denominated in **EUR** [LU2369561308]

## 9. Minimum initial subscription

There is no minimum initial subscription except for:

- the **V** share class, for which the minimum initial subscription amount is EUR 15,000,000 or its equivalent in currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same Valuation Date.

- the **S** share class for which the minimum initial subscription amount is EUR 25,000,000 or its equivalent in currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same Valuation Date.

- The **PI** share class for which the minimum initial subscription amount is EUR 1,000,000 or its equivalent in currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same Valuation Date.

## 10. Fees and charges

| Shares | Fees and charges | | | | |
|---|---|---|---|---|---|
| | Subscription (for the benefit of selling agents) | Conversion (for the benefit of selling agents) | Exit | Portfolio Management (*) (**) | Operational and Administrative Charges |
| C | Max. 3.5% | Max. 2.5% | 0% | Max. 0.75% | Max. 0.33% |
| I | 0% | 0% | 0% | Max. 0.40% | Max. 0.25% |
| N | 0% | 0% | 0% | Max. 1% | Max. 0.33% |
| PI | 0% | 0% | 0% | Max. 0.40% | Max. 0.25% |
| R | Max. 3.5% | 0% | 0% | Max. 0.40% | Max. 0.33% |
| R2 | Max. 3.5% | Max. 2.5% | 0% | Max. 0.20% | Max. 0.33% |
| S | 0% | 0% | 0% | Max. 0.40% | Max. 0.25% |
| V | 0% | 0% | 0% | Max. 0.25% | Max. 0.25% |
| Z | 0% | 0% | 0% | 0% | Max. 0.25% |

*(*) The fees are expressed as an annual percentage of the average net asset value of the Share Class and are payable at the end of each month.*

*(**) 10% of the net management fees earned by Candriam are set aside to support sustainability initiatives, in accordance with the section "Candriam's commitment to support sustainability initiatives" described in the "Investment objectives" chapter of the Prospectus.*

## 11. Applicable cut-off times for the subscription, redemption and exchange of shares

| | |
|---|---|
| **D** | 12 noon (Luxembourg time) is the cut-off time. |
| **D** | Valuation Date |
| **D +1** | Calculation Date |
| **D+3** | Settlement date |

# CANDRIAM SUSTAINABLE
# Defensive Asset Allocation

## - Fact Sheet -

This Sub-Fund is classified under Art 9. of the SFDR Regulation, i.e. it pursues a sustainable investment objective.

### 1. Investment objectives and investor profile

The aim of the Sub-Fund is to enable shareholders to benefit from the evolution of the global bonds markets as well as from the growth potential of the global equity markets and to outperform the benchmark; the main exposure is made towards bonds markets. The portfolio is managed on a discretionary basis.

The selection is based on the securities characteristics, growth prospects and proprietary analysis of ESG criteria.

In line with the SICAV's overall sustainability objectives, the Sub-Fund aims to have long-term positive impact on environment and social domains either by direct investment or through investments in UCITS and/or UCI.

The Sub-Fund is intended for investors who seek to benefit from the evolution of the international bonds market and who are prepared to accept the risks of participating in international equity markets.

The client must be aware of, understand and be able to bear the specific risks of the Sub-Fund listed below and defined in the Risk Factors section of the Prospectus.

### 2. Investment policy

This Sub-Fund primarily invests in the following asset classes, either by direct investment, or through UCITS and/or other UCI (mainly funds managed by Candriam) :

- Debt instruments and/or other similar eligible securities (bonds and financial instruments having the same characteristics, including investment grade bonds, high yield bonds, inflation linked bonds, etc.); and
- Equities and/or other similar eligible securities.

The Sub-Fund may also be invested, on an ancillary basis, either by direct investments, or through UCITS and/or other UCI in:

- Money market instruments; and
- Deposits or cash.

The equity exposure is always the minority and can be reduced according to the Fund manager's expectations of the trend of the financial markets and in order to reduce the risk for the investor.
The neutral equity weight in the portfolio is about 20%.
The Sub-Fund's assets are selected on the basis of an economic/financial analysis process as well as on ESG considerations, both indicative of risks and long-term opportunities.

The ESG aspects are analysed through a methodology developed by the Management Company and detailed under the section *Investment Objectives* in the Core part of this Prospectus.

The results of the ESG analysis are integrated into the financial management of the portfolio. This analysis aims to better enable managers to identify the risks, but also the opportunities, arising from the major challenges of sustainable development.

The ESG analysis covers the entire portfolio of the Sub-Fund, excluding deposits, cash and index derivatives.

**Implementation of the SICAV's sustainable objectives**

The Sub-Fund aims to achieve a carbon footprint that is at least 25% lower than carbon footprint of the Benchmark. For the scope taken into account as well as the methodology relating to the carbon footprint, please refer to the Transparency Code on Candriam's website, see link under section *Investment Objectives* of the Prospectus.

The Sub-Fund invests at least 90% of the portfolio in investments that comply with one of the following approaches:

- Reduces the analysed investment universe by, at least 20%, removing from the analysed investment universe in first instance issuers presenting significant ESG related risks; or
- Provides a higher ESG quality compared to the average ESG quality of the analysed investment universe, after removing from this universe the bottom 20% of issuers in terms of ESG score;
- Any other significant ESG approach.

A broad majority of the funds of the portfolio are UCITS and/or UCI that have a sustainable investment objective. UCITS / UCI with a sustainable investment objective may have several types of ESG objectives such as for example climate change, gender diversity, circular economy, or -for countries- promoting democratic changes and sustainable environmental practices.
For investments in direct lines, corporate issuances have to qualify as Sustainable Investments.

**Engagement and vote**

The selection and allocation process is also accompanied, where applicable indirectly via the underlying fund(s), by active stewardship, in particular through dialogue with companies and, as a shareholder, through voting at general meetings.

**Use of derivatives**

The Sub-Fund may use derivative financial instruments on the regulated or over-the-counter market (notably via swaps, forwards, options or futures) for the purpose of hedging or exposure.

The underlying instruments of these derivative financial instruments can be currencies, interest rates, credit spreads or equities.

**Other ESG aspects**

At the date of the Prospectus, the Sub-Fund has not filed for the French SRI Label.

**For further information, please refer to the Management Company's website and/or the annual report.**

## 3. Efficient portfolio management techniques

The sub-fund will conclude reverse repurchase transactions for an expected proportion that may vary between 0% and 25 % of the net assets and which may reach a maximum of 50% of the net assets under specific market conditions.
**The sub-fund will use reverse repurchase agreements, especially if market conditions justify it and only if an investment of cash through such an operation is justified**.

The sub-fund will conclude repurchase transactions for an expected proportion that may vary between 0% and 10% of the net assets and which may reach a maximum of 10% of the net assets.
**In any case, these transactions will be justified by temporary liquidity needs**.

## 4. Benchmark

The Sub-Fund is actively managed and the investment approach implies a reference to a benchmark.
The selected benchmark does not explicitly take into account sustainability objectives.
There is no EU reference index that takes full account of the sustainability objectives and the investment strategy as described in the present Prospectus.

| | |
|---|---|
| **Benchmark name** | ▪ 80% Bloomberg Euro-Aggregate 1-10 Year Index (Total Return)<br>▪ 10% MSCI Europe (Net Return)<br>▪ 6% MSCI USA (Net Return)<br>▪ 3% MSCI Emerging Markets (Net Return)<br>▪ 1% MSCI Japan (Net Return) |
| **Benchmark definition** | ▪ Bloomberg Euro-Aggregate 1-10 Year : measures the performance of investment-grade EUR-denominated bonds within maturity bracket between 1 to 10 years.<br>▪ MSCI Europe : measures the performance of the large and mid-capitalization equity segment across developed markets in Europe.<br>▪ MSCI USA : measures the performance of the large and mid-capitalization equity segment of the US market.<br>▪ MSCI Emerging Markets : measures the performance of the large and mid-capitalization equity segment across emerging markets countries.<br>▪ MSCI Japan : measures the performance of the large and mid-capitalization equity segment of the Japanese market . |
| **Use of the benchmark** | ▪ in the determination of risk levels / parameters<br>▪ for performance comparison. |
| **Deviation level of the portfolio composition from the benchmark** | The Sub-Fund being managed actively, its objective is not to invest in all constituents of the benchmark, nor to invest to the same extent in the constituents of the benchmark. Under normal market conditions, the tracking error of the Sub-Fund will be limited to moderate, this is comprised between 0.5% and 3%.<br><br>This measure is an estimation of the deviation of the Sub-Fund's performance compared to the performance of the benchmark. The more the tracking error is important, the more deviations compared to the benchmark are important. The effective tracking error depends notably on the market conditions (volatility and correlations between financial instruments) and can deviate from the expected tracking error. |
| **Benchmark provider** | ▪ Bloomberg<br>▪ MSCI Limited |

| | |
|---|---|
| | MSCI Limited and Bloomberg are, since Brexit, entities benefiting from the transitional provision of article 51, §5 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014. |
| | The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company. |

## 5. Risk factors specific to the Sub-Fund and risk management

### 5.1 Risk factors specific to the Sub-Fund

- Risk of loss of capital
- Equity risk
- Interest rate risk
- Credit risk
- Foreign exchange risk
- Derivatives risk
- ESG investment risk
- Counterparty risk
- Emerging markets risk
- Liquidity risk
- Volatility risk
- Risk of changes made to the reference index by the index provider
- Risk associated with external factors
- Sustainability risk

The general explanation of the various risk factors is given in the clause titled “Risk factors” in the Prospectus.

### 5.2 Risk Management

The total derivatives commitment will be calculated according to the commitment approach set down in CSSF circular 11/512.

**6. Base currency**: EUR.

**7. Form of the shares**: registered shares only.

## 8. Share Classes

- **C**, capitalization shares, denominated in **EUR** [LU1644442102]
- **C**, distribution shares, denominated in **EUR** [LU1644442284]

- **I**, capitalization shares, denominated in **EUR** [LU1644442367]
- **I**, distribution shares, denominated in **EUR** [LU1644442441]

- **R**, capitalization shares, denominated in **EUR** [LU1644442524]
- **R2,** distribution shares, denominated in **EUR** [LU1932633560]
- **V**, capitalization shares, denominated in **EUR** [LU1644442797]
- **Z**, capitalization shares, denominated in **EUR** [LU1644442870]

## 9. Minimum initial subscription

There is no minimum initial subscription except for the V share class, for which the minimum initial subscription amount is EUR 15,000,000 or its equivalent in in currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same Valuation Date.

## 10. Fees and charges

| Shares | Fees and charges | | | | |
|---|---|---|---|---|---|
| | Subscription (for the benefit of selling agents) | Conversion (for the benefit of selling agents) | Exit | Portfolio Management (*) (**) | Operational and Administrative Charges |
| C | Max. 3.5% | Max. 2.5% | 0% | Max. 1.30% | Max. 0.30% |
| I | 0% | 0% | 0% | Max. 0.60% | Max. 0.20% |
| R | Max. 3.5% | 0% | 0% | Max. 0.70% | Max. 0.30% |
| R2 | Max. 3.5% | Max. 2.5% | 0% | Max. 0.32% | Max. 0.30% |
| V | 0% | 0% | 0% | Max. 0.40% | Max. 0.20% |
| Z | 0% | 0% | 0% | 0% | Max. 0.20% |

*(*) The fees are expressed as an annual percentage of the average net asset value of the Share Class and are payable at the end of each month.*

*(**) 10% of the net management fees earned by Candriam are set aside to support sustainability initiatives, in accordance with the section "Candriam's commitment to support sustainability initiatives" described in the "Investment objectives" chapter of the Prospectus.*

## 11. Applicable cut-off times for the subscription, redemption and exchange of shares

| | |
|---|---|
| **D-1** | 17:00 (Luxembourg time) is the cut-off time. |
| **D** | Valuation Date |
| **D +1** | Calculation Date |
| **D+3** | Settlement date |

# CANDRIAM SUSTAINABLE
# Equity Circular Economy

## - Fact Sheet -

This Sub-Fund is classified under Art 9. of the SFDR Regulation, i.e. it pursues a sustainable investment objective.

### 1. Investment objective and investor profile

The objective of the Sub-Fund is to benefit from the performance of the market in global equities of companies that provide solutions for a transition towards a circular economy to address key sustainable challenges, on the basis of discretionary management. The selection is mainly based on the securities financial characteristics and proprietary analysis of ESG criteria.
This objective is aligned with the SICAV's sustainability objective to contribute to greenhouse gas emission reduction and the objectives of the Paris Agreement. Indeed the transition to a circular economy where the need to exploit natural resources is reduced or eliminated represents an important lever to reduce greenhouse gas emissions

This Sub-Fund is intended for investors who wish to achieve this objective over a long investment holding period and who are aware of, understand and are able to bear the specific risks of the Sub-Fund as set out below and defined in the section entitled *Risk factors* in the Prospectus.

### 2. Investment policy

This Sub-Fund invests primarily in equities of small, mid and large cap companies throughout the world which provide solutions for a transition towards a circular economy.

This is, companies involved in activities which enable the transition to, or the adaptation to a circular economy; companies for whom providing solutions for economic transition is central to their growth and whose products, processes, technologies and/or services rightly address this objective. Circular economy stands as an alternative to the current linear economic model ("take, make, dispose") by seeking to reduce need for virgin raw materials as well as waste generated. This goes through companies providing innovation and solutions in waste management, renewable resources, products and services life extension as well as resources optimization ("enablers").
The Sub-Fund focus also on companies that are active in the process of transforming their business operations and value chain into circular ones, with the aim to provide products or services that help consumers reduce their environmental impact ("transformers").

The Sub-Fund may hold, on an ancillary basis, the following financial instruments:

- Securities other than those described above in accordance with Article 41 (1) of the Law of 2010 (i.e. REITS …);
- Money market instruments;
- Deposits and/or cash;
- UCIs and UCITS for a maximum of 10% of assets in accordance with Article 41 (1) of the Law of 2010.

Securities are selected on the basis of an economic/financial analysis process as well as on ESG considerations, both indicative of risks and long-term opportunities.

The ESG aspects are analysed through a methodology developed by the Management Company and detailed under the section Investment Objectives in the Core part of this Prospectus along with a specific screening using our proprietary Circular economy thematic framework.

The investment process is based on a fundamental approach, consisting out of two different building blocks:

As first step, investment ideas are screened and scored using a dynamic proprietary Circular Economy Thematic Framework. All selected companies have undergone the Circular Economy framework assessment : companies have either been identified as a provider of direct and tangible solutions to tackle the circular economy transition (“enablers”) or as companies adopting these solutions in their value chain and business operations, with the aim to provide products or services that help consumers reduce their environmental impact (“transformers”).

In a second step, each company is assessed through a financial framework according to five fundamental criteria: quality of management, business growth, competitive advantage, value creation, and financial leverage. The stakeholders analysis and the analysis of each company’s activities (products and services) is further integrated into the financial management of the portfolio. This analysis aims to better enable managers to identify the risks, but also the opportunities, arising from the major challenges of sustainable development.

The ESG analysis covers the entire portfolio of the Sub-Fund, excluding deposits, cash and index derivatives.

By providing solutions fostering a circular economy, the Sub-Fund also contributes to the SICAV’s sustainable objective related to climate change. Indeed, the transition to a circular economy where the need to exploit natural resources is reduced or eliminated represents an important lever to reduce greenhouse gas emissions.
It is therefore essential for this strategy to consider not just individual companies’ carbon emissions, but their overall contribution to the Paris Agreement objectives through their alignment with a 2 degree global warming low carbon scenario. Such alignment relies not only on carbon emissions, but encompasses avoided emissions as well as a forward looking assessment of a company’s investment plans, greenhouse gas emission reduction target credibility and strategy.
Over the recent past, models have been developed to enable the assessment of a company’s alignment with such 2 degree scenario. These so-called Sector Decarbonization Approaches define greenhouse gas emission reductions pathways within each sector, compatible with the sector’s current contribution to climate change as well as the overall objective.

The Sub-Fund aims to achieve an overall portfolio alignment with a temperature scenario equal or lower than 2.5 degrees. As the availability and reliability of company climate data evolves over time, the Sub-Fund aims to be aligned with a temperature scenario equal or lower than 2 degrees by January 1st 2025. For details about the methodology used to calculate the temperature to which a portfolio is aligned, please refer to the Transparency code on Candriam’s website, see link under section *Investment Objectives* of the Prospectus.

In line with this objective, the Sub-Fund aims to invest a higher share of total AuM in high stake companies than the Benchmark. High stake companies are defined by the EU Climate Benchmark regulation as those belonging to one of the sectors considered to play the biggest role in achieving the Paris Agreement objectives.

On the basis of the ESG analysis and selection steps (ESG analysis, violations of the United Nations Global Compact, exclusion of controversial activities) listed under the section *Investment Objectives*, the Sub-Fund's analysed investment universe is reduced by at least 20%, removing from the analysed investment universe issuers presenting significant ESG-related risks.

**Engagement and vote**

The analysis and selection process is also accompanied by active stewardship, in particular through dialogue with the companies and, as a shareholder, through voting at general meetings.

**Use of derivatives**

The Sub-Fund may also use derivative products such as options, futures and foreign exchange transactions both for investment and hedging purposes.

**For further information on the ESG analysis please refer to the Transparency Code on Candriam's website, see link under section *Investment Objectives* of the Prospectus.**

**Candriam's commitment to support transition initiatives towards a circular economy society:**

The Management Company will set aside a portion of the net management fees that it collects from the Sub-Fund - as described below in the section "Fees and charges" - for the purpose of supporting charities and/or organizations and /or projects which are active in research, study, design, production and supply of products and solutions to allow for a transition towards a circular economy society through local, national and/or global initiatives.

**3. Efficient portfolio management techniques**

The sub-fund will conclude reverse repurchase transactions for an expected proportion that may vary between 0% and 25 % of the net assets and which may reach a maximum of 50% of the net assets under specific market conditions.
**The sub-fund will use reverse repurchase agreements, especially if market conditions justify it and only if an investment of cash through such an operation is justified**.

The sub-fund will conclude repurchase transactions for an expected proportion that may vary between 0% and 10% of the net assets and which may reach a maximum of 10% of the net assets. **In any case, these transactions will be justified by temporary liquidity needs**.

**4. Benchmark**

The Sub-Fund is actively managed and the investment approach implies a reference to a benchmark.
The selected benchmark does not explicitly take into account sustainability objectives.
There is no EU reference index on Climate Transition or no index aligned with the Paris Agreement or any other sustainable benchmark that takes full account of the sustainability objectives and the investment strategy as described in the present Prospectus.

| | |
|---|---|
| **Benchmark name** | MSCI ACWI (Net Return) |
| **Benchmark definition** | The index measures the performance of the large and mid-capitalization equity segment across developed and emerging markets worldwide. |
| **Use of the benchmark** | ▪ as investment universe. In general, the majority of the Sub-Fund's financial instruments are part of the benchmark. This said, investments outside this benchmark are admitted.<br>▪ in the determination of risk levels / parameters |

| | | |
|---|---|---|
| **Deviation level of the portfolio composition from the benchmark** | The Sub-Fund being managed actively, its objective is not to invest in all constituents of the benchmark, nor to invest to the same extent in the constituents of the benchmark. Under normal market conditions, the tracking error of the Sub-Fund will be important, this is over 4%<br><br>This measure is an estimation of the deviation of the Sub-Fund's performance compared to the performance of the benchmark. The more the tracking error is important, the more deviations compared to the benchmark are important. The effective tracking error depends notably on the market conditions (volatility and correlations between financial instruments) and can deviate from the expected tracking error. |
| **Benchmark provider** | MSCI Limited |
| | This benchmark is provided by MSCI Limited which is, since Brexit, an entity benefiting from the transitional provision of article 51, §5 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014. |
| | The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company. |

**5. Eligibility of the Sub-Fund**

The Sub-Fund qualifies as a *GITA Equity Fund* as defined in the *Taxation* Chapter of the Prospectus.

**6. Risk factors specific to the Sub-Fund and risk management**

**6.1 Risk factors specific to the Sub-Fund**

- Risk of loss of capital
- Equity risk
- Foreign exchange risk
- ESG investment risk
- Liquidity risk
- Emerging markets risk
- Derivatives risk
- Counterparty risk
- Risk associated with Chinese A equities
- Risk of changes made to the reference index by the index provider
- Risk associated with external factors
- Share class hedging risk
- Sustainability risk

The general explanation of the various risk factors is given in the clause titled "Risk factors" in the Prospectus.

### 6.2 Risk Management

The total derivatives commitment will be calculated according to the commitment approach set down in CSSF circular 11/512.

**7. Base currency**: USD

**8. Form of the shares**: registered shares only.

**9. Share Classes**

- **BF**, capitalization shares, denominated in **USD** [LU2109442900]
- **BF**, distribution shares, denominated in **USD** [LU2109443031]
- **BF**, capitalization shares, denominated in **EUR** [LU2109443114]
- **BF**, distribution shares, denominated in **EUR** [LU2109443205]

- **C**, capitalization shares, denominated in **USD** [LU2109440870]
- **C**, distribution shares, denominated in **USD** [LU2109440953]
- **C**, capitalization shares, denominated in **EUR** [LU2109441092]
- **C-H**, capitalization shares, denominated in **EUR** [LU2109441175]

- **I**, capitalization shares, denominated in **USD** [LU2109441258]
- **I**, capitalization shares, denominated in **EUR** [LU2109441332]
- **I-H**, capitalization shares, denominated in **EUR** [LU2328290528]

- **N**, capitalization shares, denominated in **USD** [LU2363112447]
- **N,** capitalization shares, denominated in **EUR** [LU2363112520]
- **N-H**, capitalization shares, denominated in **EUR** [LU2363112793]

- **PI**, capitalization shares, denominated in **USD** [LU2109441415]
- **PI**, capitalization shares, denominated in **EUR** [LU2109441506]

- **R**, capitalization shares, denominated in **USD** [LU2109441688]
- **R,** distribution shares, denominated in **USD** [LU2109441761]
- **R**, capitalization shares, denominated in **EUR** [LU2109441845]
- **R-H**, capitalization shares, denominated in **EUR** [LU2109441928]

- **R2**, capitalization shares, denominated in **USD** [LU2109442066]
- **R2,** distribution shares, denominated in **USD** [LU2109442140]
- **R2**, capitalization shares, denominated in **EUR** [LU2109442223]
- **R2-H**, capitalization shares, denominated in **EUR** [LU2109442496]

- **S**, capitalization shares, denominated in **USD** [LU2109442652]

- **V**, capitalization shares, denominated in **USD** [LU2109442579]

- **Z**, capitalization shares, denominated in **USD** [LU2109442736]
- **Z**, distribution shares, denominated in **USD** [LU2109442819]

## 10. Minimum initial subscription

There is no minimum initial subscription except for the:

- **PI** share class, for which the minimum initial subscription amount is USD 1,000,000 for the share class denominated in USD and 1,000,000 EUR for the share class denominated in EUR;
- **S** share class, for which the minimum initial subscription amount is USD 100,000,000.
- **V** share class, for which the minimum initial subscription amount is USD 15,000,000;

These minimum amounts may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same Valuation Date.

## 11. Fees and charges

| Shares | Fees and charges | | | | |
|---|---|---|---|---|---|
| | Subscription (for the benefit of selling agents) | Conversion (for the benefit of selling agents) | Exit | Portfolio Management (*) (**) | Operational and Administrative Charges |
| BF | 0% | 0% | 0% | Max. 0.30% | Max. 0.30% |
| C | Max. 3.5% | Max. 2.5% | 0% | Max. 1.60% | Max. 0.40% |
| I | 0% | 0% | 0% | Max. 0.80% | Max. 0.30% |
| N | 0% | 0% | 0% | Max. 2% | Max. 0.40% |
| PI | 0% | 0% | 0% | Max. 0.40% | Max. 0.30% |
| R | Max. 3.5% | 0% | 0% | Max. 0.80% | Max. 0.40% |
| R2 | Max. 3.5% | Max. 2.5% | 0% | Max. 0.40% | Max. 0.40% |
| V | 0% | 0% | 0% | Max. 0.60% | Max. 0.30% |
| S | 0% | 0% | 0% | Max. 0.40% | Max. 0.30% |
| Z | 0% | 0% | 0% | 0% | Max. 0.30% |

*(*) The fees are expressed as an annual percentage of the average net asset value of the Share Class and are payable at the end of each month.*

*(**) 10% of the net management fees earned by Candriam are set aside to support transition initiatives towards a circular economy society in accordance with the section "Candriam's commitment to support sustainability initiatives" described in the "Investment objectives" chapter of the Prospectus.*

## 12. Applicable cut-off times for the subscription, redemption and exchange of shares

| | |
|---|---|
| **D** | 12 noon (Luxembourg time) is the cut-off time. |
| **D** | Valuation Date |
| **D +1** | Calculation Date |
| **D+3** | Settlement date |

# CANDRIAM SUSTAINABLE

# Equity Children

## - Fact Sheet -

This Sub-Fund is classified under Art 9. of the SFDR Regulation, i.e. it pursues a sustainable investment objective.

### 1. Investment objective and investor profile

The objective of the Sub-Fund is to benefit from the performance of global companies that contribute to the well-being of children and impact their lives in a positive way, and to outperform the reference index. The companies are selected by the fund manager on a discretionary basis.

The Sub-Fund aims to invest in companies of which the business activities facilitate the achievement of one or more of the United Nations' Sustainable Development Goals (SDG)' targets in particular n° 3 "Good Health & Well-being", n°4 "Quality education" and n°6 "Clean Water & Sanitation" and aims to have long-term positive impact on environment and social domains.

This Sub-Fund is intended for investors who wish to achieve this objective over a long investment holding period and who are aware of, understand and are able to bear the specific risks of the Sub-Fund as set out below and defined in the Risk factors section of the Prospectus.

### 2. Investment policy

This Sub-Fund invests primarily in equities of small, mid and large cap companies of different sectors throughout the world, that contribute to the well-being of children and impact their lives in a positive way.
This is, companies that are innovative and provide solutions that contribute:

- to the essential needs of children (as, for example, drinking water, sanitation, healthy & sufficient nutrition, healthcare, affordable housing, local community support, etc…)
- to the children's development (as, for example, in domains like education, infrastructure, security, sports & leisure, family income & financial inclusion, etc…).

This Sub-Fund is a conviction fund: the management of the Sub-Fund is based on a rigorous selection of a limited number of shares of all capitalizations.

The Sub-Fund may hold, on an ancillary basis, the following financial instruments:

- Securities other than those described above in accordance with Article 41 (1) of the Law of 2010 (i.e. eligible close-ended REITS, Chinese A equities for a maximum of 10% of the net assets, etc.);
- Money market instruments;
- Deposits and/or cash;
- UCIs and UCITS for a maximum of 10% of assets in accordance with Article 41 (1) of the Law of 2010.

***Definition of the investment universe***

The benchmark of the Sub-Fund (MSCI World All Countries as specified below) constitutes the basic investment universe from which quantitative and qualitative screening processes are applied. Nevertheless, investments outside the index universe are allowed.

***Thematic selection***

Companies are selected on the basis of their contribution to the basic needs and development of children as outlined above. (For more details, see Transparency Code under the following link :
https://www.candriam.com/en/private/market-insights/sri-publications/#transparency).

***ESG exclusions (Environment, Social, Governance)***

The eligible universe is first filtered using two types of exclusions: one is based on a normative approach and the other on exposure to controversial activities.

The strategy excludes companies that:

1) do not meet the criteria of a normative exclusion filter that takes account of compliance with international standards concerning social, human and environmental rights and the fight against corruption, such as set out in the United Nations Global Compact and the 'OECD's Guidelines for Multinational Enterprises'. This filter aims at excluding companies that are repeatedly and materially in breach of any of these principles. Furthermore, companies that present both material and severe structural risks in terms of environmental, social and governance factors are excluded from the Sub-Fund; and/or,

2) are significantly exposed to controversial activities (such as tobacco, armaments, thermal coal and certain other fossil fuels, etc) and to controversial child-related activities. The strategy does not allow investment in companies that manufacture, use or hold anti-personnel mines, cluster bombs, or chemical, biological, white phosphorus and depleted uranium and nuclear weapons; and/or

3) are exposed to countries considered to have a highly oppressive regime.

The ESG analysis covers the entire portfolio, excluding deposits, cash and index derivatives. Derivative counterparties may not be covered for ESG analysis.

More details on the ESG process applied to this Sub-Fund, the thresholds applied to controversial activities and other excluded controversial activities can be found in the Transparency Code (see link supra).

Based on the different elements of analysis listed (ESG analysis, violations of the UN Global Compact, controversial activities), the analyzed investment universe is reduced by at least 20%.

***Fundamental Analysis***

Companies are assessed on the basis of 5 financial quality criteria:
- management quality (governance, stability and reliability of management, transparency, etc.)
- growth (is the company growing faster than the market?),
- competitive advantage (better offer than the competition, barriers to entry, unique added value),
- value creation (profitability),
- financial leverage (reasonable debt compared to industry practice).

This fundamental analysis takes into account the results of the analysis of all ESG factors, in particular the assessment of the company's relationship with its stakeholders, and the company's exposure to or impact on major sustainability issues, such as, among others, climate change, resource and waste management, digitalization and innovation, well-being, health and quality of life, and demographic changes.
Within this framework, the ESG score of the Sub-Fund is assessed.

***Implementation of the SICAV's sustainable objectives***

The Sub-Fund invests in a portfolio of companies where at least 50% of the weighted average revenues are linked to business activities that contribute to provide essential services (clean water, sanitation, healthcare, nutrition, etc.) and/or to provide products/services that contribute to children's development (education, financial inclusion, sports/leisure, etc.).
These business activities facilitate the achievement of one or more of the United Nations' Sustainable Development Goals (SDG)' targets in particular n° 3 "Good Health & Well-being", n°4 "Quality education" and n°6 "Clean Water & Sanitation".

The aim to have long-term positive impact on environment and social domains is currently assessed by the calculation of an ESG score which results from Candriam's proprietary ESG analysis. To fulfil this sustainable objective, the Sub-Fund's weighted average ESG score aims to be higher than the weighted average ESG score of the Benchmark.

***Valuation***

The valuation, according to Candriam's internal models, takes into account the results of the fundamental financial and ESG analysis.

***Portfolio construction***

The portfolio is constructed on the basis of the results of each of the previous steps and the internal weighting and deviation limits.

***Engagement and vote***

The analysis and selection process is also accompanied by active stewardship, in particular through dialogue with the companies and, as a shareholder, through voting at general meetings.

In view of the above, the companies in which investments are made are also evaluated and selected according to their good governance practices.

***Use of derivatives***

The Sub-Fund may also use derivative financial instruments on the regulated and/or over-the-counter market (notably via foreign exchange transactions, options or futures) for the purpose of hedging and/or exposure.
The underlyings of these derivative financial instruments can be currencies, equities, equity-indices or volatility.

**Other ESG aspects**

At the date of the Prospectus, the Sub-Fund has not filed for the French SRI Label.

**For further information on the ESG analysis please refer to the Transparency Code on Candriam's website, see link under section *Investment Objectives* of the Prospectus.**

**<u>Candriam's engagement to support the childrens' well-being & development</u>:**

The Management Company will allocate part of the net management fees it receives - as described in the section "Fees and Expenses" below - to support associations and/or organizations that contribute to the essential needs, the well-being & the development of children.

**3. Efficient portfolio management techniques**

The Sub-Fund will not engage neither in repurchase nor in reverse repurchase transactions.

**4. Benchmark**

The Sub-Fund is actively managed and the investment approach implies a reference to a benchmark. The benchmark used does not explicitly take sustainability criteria into account.

| | |
|---|---|
| **Benchmark name** | MSCI World All Countries (MSCI ACWI) (Net Return) |
| **Benchmark definition** | The index measures the performance of the large and mid-capitalization equity segment across developed and emerging markets worldwide. |
| **Use of the benchmark** | ▪ as investment universe. In general, the majority of the Sub-Fund's financial instruments are part of the benchmark. This said, investments outside this benchmark are admitted.<br>▪ in the determination of risk levels / parameters<br>▪ for performance comparison |
| **Deviation level of the portfolio composition from the benchmark** | The Sub-Fund being managed actively, its objective is not to invest in all constituents of the benchmark, nor to invest to the same extent in the constituents of the benchmark. Under normal market conditions, the tracking error of the Sub-Fund will be important, this is over 4%<br><br>This measure is an estimation of the deviation of the Sub-Fund's performance compared to the performance of the benchmark. The more the tracking error is important, the more deviations compared to the benchmark are important. The effective tracking error depends notably on the market conditions (volatility and correlations between financial instruments) and can deviate from the expected tracking error. |
| **Benchmark provider** | MSCI Limited |
| | This benchmark is provided by MSCI Limited which is, since Brexit, an entity benefiting from the transitional provision of article 51, §5 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014. |
| | The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company. |

**5. Eligibility of the Sub-Fund**

The Sub-Fund qualifies as a *GITA Equity Fund* as defined in the *Taxation* Chapter of the Prospectus.

**6. Risk factors specific to the Sub-Fund and risk management**

**6.1 Risk factors specific to the Sub-Fund**

- Risk of loss of capital
- Equity risk
- Foreign exchange risk
- Emerging markets risk
- Liquidity risk
- Concentration risk
- ESG investment risk
- Derivatives risk
- Counterparty risk
- Risk associated with Chinese A equities
- Risk of changes made to the reference index by the index provider
- Risk associated with external factors
- Share class hedging risk
- Sustainability risk

The general explanation of the various risk factors is given in the clause titled “Risk factors” in the Prospectus.

**6.2 Risk Management**

The total derivatives commitment will be calculated according to the commitment approach set down in CSSF circular 11/512.

**7. Base currency**: USD

**8. Form of the shares**: registered shares only.

**9. Share Classes**

- **BF**, capitalization shares, denominated in **EUR** [LU2371175907]
- **BF**, distribution shares, denominated in **EUR** [LU2371178836]

- **C**, capitalization shares, denominated in **USD** [LU2371178752]
- **C**, distribution shares, denominated in **USD** [LU2371178679]
- **C**, capitalization shares, denominated in **EUR** [LU2371178596]
- **C-H**, capitalization shares, denominated in **EUR** [LU2371178323]

- **I**, capitalization shares, denominated in **USD** [LU2371178240]
- **I**, distribution shares, denominated in **USD** [LU2371178166]
- **I**, capitalization shares, denominated in **EUR** [LU2371178083]
- **I-H**, capitalization shares, denominated in **GBP** [LU2371177945]
- **I-H**, capitalization shares, denominated in **EUR** [LU2421360046]

- **N**, capitalization shares, denominated in **USD** [LU2371177861]
- **N**, capitalization shares, denominated in **EUR** [LU2371177788]

- **N-H**, capitalization shares, denominated in **EUR** [LU2371177606]

- **PI**, capitalization shares, denominated in **USD** [LU2371177515]
- **PI**, distribution shares, denominated in **USD** [LU2371177432]
- **PI-H**, capitalization shares, denominated in **GBP** [LU2371177358]

- **R**, capitalization shares, denominated in **USD** [LU2371177275]
- **R,** distribution shares, denominated in **USD** [LU2371177192]
- **R-H**, capitalization shares, denominated in **EUR** [LU2371176970]
- **R-H**, capitalization shares, denominated in **GBP** [LU2371176897]

- **R2**, capitalization shares, denominated in **USD** [LU2371176624]
- **R2,** distribution shares, denominated in **USD** [LU2371176541]
- **R2**, capitalization shares, denominated in **EUR** [LU2371176467]
- **R2-H**, capitalization shares, denominated in **EUR** [LU2371176384]

- **V**, capitalization shares, denominated in **USD** [LU2371176111]

- **Z**, capitalization shares, denominated in **USD** [LU2371176038]
- **Z**, distribution shares, denominated in **USD** [LU2371178919]
- **Z**, capitalization shares, denominated in **EUR** [LU2371179057]

**10. Minimum initial subscription**

There is no minimum initial subscription except for the:

- **PI** share class, for which the minimum initial subscription amount is USD 1,000,000 for the share classes denominated in USD or the equivalent of USD 1,000,000 for the share class denominated in GBP;

- **V** share class, for which the minimum initial subscription amount is USD 15,000,000;

These minimum amounts may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same Valuation Date.

## 11. Fees and charges

| Shares | Fees and charges | | | | |
|---|---|---|---|---|---|
| | Subscription (for the benefit of selling agents) | Conversion (for the benefit of selling agents) | Exit | Portfolio Management (*) (**) | Operational and Administrative Charges |
| BF | 0% | 0% | 0% | Max. 0.30% | Max. 0.30% |
| C | Max. 3.5% | Max. 2.5% | 0% | Max. 1.60% | Max. 0.40% |
| I | 0% | 0% | 0% | Max. 0.80% | Max. 0.30% |
| N | 0% | 0% | 0% | Max. 2% | Max. 0.40% |
| PI | 0% | 0% | 0% | Max. 0.40% | Max. 0.30% |
| R | Max. 3.5% | 0% | 0% | Max. 0.80% | Max. 0.40% |
| R2 | Max. 3.5% | Max. 2.5% | 0% | Max. 0.40% | Max. 0.40% |
| V | 0% | 0% | 0% | Max. 0.48% | Max. 0.30% |
| Z | 0% | 0% | 0% | 0% | Max. 0.30% |

*(*) The fees are expressed as an annual percentage of the average net asset value of the Share Class and are payable at the end of each month.*

*(**)10% of the net management fees earned by the Management Company are allocated to support associations and/or organizations contributing to the essential needs, the well-being & the development of children, in accordance with the Investment Objectives section of the Prospectus.*

## 12. Applicable cut-off times for the subscription, redemption and exchange of shares

| | |
|---|---|
| **D** | 12 noon (Luxembourg time) is the cut-off time. |
| **D** | Valuation Date |
| **D +1** | Calculation Date |
| **D+3** | Settlement date |

# CANDRIAM SUSTAINABLE
# Equity Climate Action

## - Fact Sheet -

This Sub-Fund is classified under Art 9. of the SFDR Regulation, i.e. it pursues a sustainable investment objective.

### 1. Investment objective and investor profile

The objective of the Sub-Fund is to benefit from the performance of the market in global equities of companies that take tangible and direct action to tackle the challenges and risks arising from climate change and for whom providing climate change solutions is central to their growth and profitability, in line with the SICAV's overall sustainable objective related to climate change.

The selection is mainly based on the securities financial characteristics and proprietary analysis of ESG criteria.

This Sub-Fund may be appropriate for investors who wish to achieve this objective over a long investment holding period and who are aware of, understand and are able to bear the specific risks of the Sub-Fund as set out below and defined in the section entitled Risk factors in the Prospectus.

### 2. Investment policy

This Sub-Fund invests primarily in equities of mid and large cap companies throughout the world which are considered to become the future leaders of climate change action.

This is, companies involved in activities which enable the mitigation of, or the adaptation to climate change; companies for whom providing climate change solutions is central to their growth and whose products, process, technologies and/or services rightly address climate challenges through innovations and solutions in renewable energy, energy efficiency & storage, and/or climate change & pollution adaptation.

The Sub-Fund may hold, on an ancillary basis, the following financial instruments:

- Securities other than those described above (i.e. small cap companies, …);
- Money market instruments;
- Deposits and/or cash;
- UCIs and UCITS for a maximum of 10% of assets.

Securities are selected on the basis of a financial analysis process as well as on ESG considerations, both indicative of risks and long-term opportunities. The ESG aspects are analysed through a methodology developed by the Management Company and detailed under the section *Investment Objectives* in the Core part of this Prospectus along with a specific screening using our proprietary Climate Action thematic framework.

The investment process is based on a fundamental approach, consisting out of two different building blocks:

1. As first step, investment ideas are screened and scored using a dynamic proprietary Climate Change Thematic Framework. All selected companies have undergone the Climate Action framework assessment and have been identified as a provider of direct and tangible solutions to tackle climate change and/or global warming.

2. In a second step, each company is assessed through a financial framework according to five fundamental criteria: quality of management, business growth, competitive advantage, value creation, and financial leverage. The stakeholders analysis and the analysis of each company's activities (products and services) is further integrated into the financial management of the portfolio. This analysis aims to better enable managers to identify the risks, but also the opportunities, arising from the major challenges of sustainable development.

On the basis of the ESG analysis and selection steps (ESG analysis, violations of the United Nations Global Compact, exclusion of controversial activities) listed under the section *Investment Objectives*, the Sub-Fund's analysed investment universe is reduced by at least 20%, removing from the analysed investment universe issuers presenting significant ESG-related risks.

The Sub-Fund does not exclude sectors others than those excluded under the Candriam's SRI Exclusion Policy as mentioned in the section *Investment Objectives*. Therefore, the Sub-Fund invests in companies from a broad range of sectors, including sectors that overall contribute to a significant share of global greenhouse gas emissions, such as power utilities, energy or basic materials. In each sector, the Sub-Fund, through an in-depth ESG analysis, identifies and invests in the companies that are, through their own operations and/or through the products and services they provide to other companies, making a material contribution to climate change mitigation or adaptation.
The ESG analysis covers the entire portfolio of the Sub-Fund, excluding deposits, cash and index derivatives.

By virtue of its thematic focus, the Sub-Fund is invested in a subset of the market's sectors and activities. Investments are concentrated in sectors presenting a significant impact on ability to mitigate climate change or adapt to its physical consequences. Some of the companies identify as bringing solution to climate change might achieve this whilst at the same time themselves emitting a certain amount of greenhouse gases.

It is therefore essential for this strategy to consider not just individual companies' carbon emissions, but their overall contribution to the Paris Agreement objectives through their alignment with a 2 degree global warming low carbon scenario. Such alignment relies not only on carbon emissions, but encompasses avoided emissions as well as a forward looking assessment of a company's investment plans, greenhouse gas emission reduction target credibility and strategy.
Over the recent past, models have been developed to enable the assessment of a company's alignment with such 2 degree scenario. These so-called Sector Decarbonization Approaches define greenhouse gas emission reductions pathways within each sector, compatible with the sector's current contribution to climate change as well as the overall objective.

The Sub-Fund aims to achieve an overall portfolio alignment with a temperature scenario equal or lower than 2.5 degrees. As the availability and reliability of company climate data evolves over time, the Sub-Fund aims to be aligned with a temperature scenario equal or lower than 2 degrees by January 1st 2025. For details about the methodology used to calculate the temperature to which a portfolio is aligned, please refer to the Transparency code on Candriam's website, see link under section *Investment Objectives* of the Prospectus.

In line with this objective, the Sub-Fund aims to invest in a higher share of total assets under management in high stake companies than the Benchmark. High stake companies are defined by the EU Climate Benchmark regulation as those belonging to one of the sectors considered to play the biggest role in achieving the Paris Agreement objectives.

At last, the Sub-Fund has limited exposure to sectors emitting a significant amount of greenhouse gas and instead focuses its investments in companies that:

1. are engaged in low carbon activities or help other companies to reduce their own carbon emissions (climate change mitigation); and

2. help companies prepare and adapt to the negative consequences arising from climate change (climate change adaptation)

**Engagement and vote**

The analysis and selection process is also accompanied by active stewardship, in particular through dialogue with the companies and, as a shareholder, through voting at general meetings.

**Use of derivatives**

The Sub-Fund may also use derivative products such as options, futures and foreign exchange transactions both for investment and hedging purposes.

**For further information on the ESG analysis please refer to the Transparency Code on Candriam's website, see link under section *Investment Objectives* of the Prospectus.**

**The Management Company has set up a mechanism that tends to offset the carbon emissions.**
**For the avoidance of doubt, the Sub-Fund itself does not interfere with the carbon emissions offsetting mechanism.**
**The operating mode of the mechanism is the following:**

The estimation of the Sub-Fund's carbon emissions (Scopes 1 & 2) will be calculated each month based on:
(i) assets held in the portfolio on the last day of the month. This one will be calculated as the weight of each of the values constituting the portfolio by the level of carbon emissions associated with each of these values, thus making it possible to determine the amount of carbon credits necessary to offset the carbon emissions; and
(ii) data provided by Trucost (www.trucost.com) – or equivalent - at the day of calculation.

The carbon emissions offsetting of the Sub-Fund may be considered partial insofar as (i) Candriam does not take into account Scope 3 in the calculation of carbon emissions and (ii) the exposure on money market instruments and index derivatives is not taken into account in the calculation. Examples of Scope 3 emissions not covered by the compensation mechanism are greenhouse gas emissions generated by an issuer's supply chain, such as raw material suppliers, or greenhouse gas emissions caused by the use of an issuer's products, such as when a petrol car is driven for a car manufacturer. These so-called upstream (suppliers) and downstream (use of product) emissions are not covered by the compensation mechanism.

This compensation will be made through the use of «Verified Emission Reduction» ("VER"). VERs are verified emission reduction units that correspond to carbon credits generated by a project that has a positive impact on reducing $CO_2$ emissions according to a voluntary market standard. VERs are usually created by projects which have been verified outside of the Kyoto Protocol. One VER is equivalent to 1 ton of $CO_2$ emissions. Through these schemes, industries and individuals voluntarily compensate for their emissions or provide an additional contribution to mitigating climate change.

No later than quarterly, Candriam will ask an intermediary (for instance South Pole (for more information on the intermediary see link below) – or equivalent - to offset the carbon emissions of the Sub-Fund with the central register (Markit or equivalent) who issues a confirmation and an emission compensation certificate of carbon.
As part of this service and depending on the amount determined, all carbon credits acquired will be canceled, thereby materializing the compensation.
To combat the risk of fraud and double counting, each VER has a unique serial number. The central registry can be accessed publicly, online, to verify the VER property.

At the date of the present Prospectus, the underlying projects of the VERs used by Candriam to offset the carbon emissions of the Sub-Fund are as follow:

- a reforestation project in Panama with the following goals :
  - Reconversion of land cleared for agriculture into mixed forest land;
  - Improves biodiversity, carbon sequestration and mitigates global warming;
  - Boosts local development through fair production of organic cacao and sustainable timber;
- a solar energy project in India:
  - Large-scale solar thermal power project;
  - Generation of renewable energy for India's heavily fossil fuel-dominated electricity grid;
- an energy efficiency project in China:
  - Capture of methane emissions from a landfill and uses it for clean power generation;
  - Supports local sustainable development.

Candriam reserves the right to use other underlying projects of VER.

The selected projects will meet the highest standards of market certification (including Gold Standard or VCS) and will be listed with a recognized independent register (Markit or equivalent).

Additional information on the selected projects as well as on the intermediary is available on Candriam's website: https://www.candriam.com/en/professional/about-us/responsibility/candriam-offsetting-projects2.

Shareholders' attention is drawn to the fact that VERs may be withdrawn in case of exceptional events (errors, fraud, political risk etc.) affecting the projects at the origin of the VER issue, which could thus have an impact on the carbon offsetting mechanism.

**Candriam's commitment to support carbon emissions clearing initiatives**

The Management Company will set aside a portion of the net management fees that it collects from the Sub-Fund - as described below in the section "Fees and charges" - for the purpose of clearing the carbon emissions of the Sub-Fund.

**IMPORTANT NOTICE**

**The here above-mentioned mechanism will be applicable until 31 December 2022.**
**As from 1st January 2023, Candriam's commitment to support climate action will continue however via other environmental projects.**
**The description of the mechanism here above will then be removed from the Prospectus.**

**As from 1st January 2023, the Management Company will set aside a portion of the net management fees that it collects from the Sub-Fund - as described below in the section *Fees and charges* - for the purpose of supporting environmental projects around for example reforestation & ecosystem restoration.**

**More information on the selection criteria and the selected projects can be found at https://www.candriam.com/en/professional/about-us/responsibility/candriam-offsetting-projects2.**

### 3. Efficient portfolio management techniques

The sub-fund will conclude reverse repurchase transactions for an expected proportion that may vary between 0% and 25 % of the net assets and which may reach a maximum of 50% of the net assets under specific market conditions.

**The sub-fund will use reverse repurchase agreements, especially if market conditions justify it and only if an investment of cash through such an operation is justified**.

The sub-fund will conclude repurchase transactions for an expected proportion that may vary between 0% and 10% of the net assets and which may reach a maximum of 10% of the net assets. **In any case, these transactions will be justified by temporary liquidity needs**.

## 4. Benchmark

The Sub-Fund is actively managed and the investment approach implies a reference to a benchmark.
The selected benchmark does not explicitly take into account sustainability objectives.
There is no EU reference index on Climate Transition or no index aligned with the Paris Agreement or any other sustainable benchmark that takes full account of the sustainability objectives and the investment strategy as described in the present Prospectus.

| | |
|---|---|
| **Benchmark name** | MSCI ACWI (Net Return) |
| **Benchmark definition** | The index measures the performance of the large and mid-capitalization equity segment across developed and emerging markets worldwide. |
| **Use of the benchmark** | ▪ as investment universe. In general, the majority of the Sub-Fund's financial instruments are part of the benchmark. This said, investments outside this benchmark are admitted.<br>▪ in the determination of risk levels / parameters |
| **Deviation level of the portfolio composition from the benchmark** | The Sub-Fund being managed actively, its objective is not to invest in all constituents of the benchmark, nor to invest to the same extent in the constituents of the benchmark. Under normal market conditions, the tracking error of the Sub-Fund will be important, this is over 4%<br><br>This measure is an estimation of the deviation of the Sub-Fund's performance compared to the performance of the benchmark. The more the tracking error is important, the more deviations compared to the benchmark are important. The effective tracking error depends notably on the market conditions (volatility and correlations between financial instruments) and can deviate from the expected tracking error. |
| **Benchmark provider** | MSCI Limited |
| | This benchmark is provided by MSCI Limited which is, since Brexit, an entity benefiting from the transitional provision of article 51, §5 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014. |
| | The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company. |

## 5. Eligibility of the Sub-Fund

The Sub-Fund qualifies as a *GITA Equity Fund* as defined in the *Taxation* Chapter of the

Prospectus.

**6. Risk factors specific to the Sub-Fund and risk management**

**6.1 Risk factors specific to the Sub-Fund**

- Risk of loss of capital
- Equity risk
- Foreign exchange risk
- Emerging markets risk
- ESG investment risk
- Liquidity risk
- Concentration risk
- Derivatives risk
- Counterparty risk
- Risk associated with Chinese A equities
- Risk of changes made to the reference index by the index provider
- Risk associated with external factors
- Share class hedging risk
- Sustainability risk

The general explanation of the various risk factors is given in the clause titled "Risk factors" in the Prospectus.

**6.2 Risk Management**

The total derivatives commitment will be calculated according to the commitment approach set down in CSSF circular 11/512.

**7. Base currency**: USD

**8. Form of the shares**: registered shares only.

**9. Share Classes**

- **BF**, capitalization shares, denominated in **EUR** [LU2016898996]
- **BF**, distribution shares, denominated in **EUR** [LU2016899028]

- **C**, capitalization shares, denominated in **USD** [LU1932633644]
- **C**, distribution shares, denominated in **USD** [LU1932633727]
- **C**, capitalization shares, denominated in **EUR** [LU1932633990]
- **C-H**, capitalization shares, denominated in **EUR** [LU1932634022]

- **I**, capitalization shares, denominated in **USD** [LU1932634295]
- **I**, capitalization shares, denominated in **EUR** [LU1932634378]
- **I-H**, capitalization shares, denominated in **GBP** [LU2016899457]
- **I-H**, capitalization shares, denominated in **EUR** [LU2059769906]

- **N**, capitalization shares, denominated in **USD** [LU2363112876]
- **N**, capitalization shares, denominated in **EUR** [LU2363112959]
- **N-H**, capitalization shares, denominated in **EUR** [LU2363113098]

- **R**, capitalization shares, denominated in **USD** [LU1932634451]
- **R,** distribution shares, denominated in **USD** [LU1932634535]

- **R**, capitalization shares, denominated in **EUR** [LU1932634618]
- **R-H**, capitalization shares, denominated in **GBP** [LU2016899531]
- **R-H**, capitalization shares, denominated in **EUR** [LU1932634709]

- **R2,** capitalization shares, denominated in **USD** [LU1932634881]
- **R2,** distribution shares, denominated in **USD** [LU1932634964]

- **PI**, capitalization shares, denominated in **USD** [LU1932635003]

- **Z**, capitalization shares, denominated in **USD** [LU1932635185]
- **Z**, distribution shares, denominated in **USD** [LU1932635268]
- **Z**, capitalization shares, denominated in **EUR** [LU2211181388]
- **Z**, distribution shares, denominated in **EUR** [LU2211181545]

## 10. Minimum initial subscription

There is no minimum initial subscription except for the **PI** share class, for which the minimum initial subscription amount is USD 1,000,000 or its equivalent in in currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same Valuation Date.

## 11. Fees and charges

| Shares | Fees and charges | | | | |
|---|---|---|---|---|---|
| | Subscription (for the benefit of selling agents) | Conversion (for the benefit of selling agents) | Exit | Portfolio Management (*) (**) | Operational and Administrative Charges |
| BF | 0% | 0% | 0% | Max. 0.30% | Max. 0.30% |
| C | Max. 3.5% | Max. 2.5% | 0% | Max. 1.60% | Max. 0.40% |
| I | 0% | 0% | 0% | Max. 0.80% | Max. 0.30% |
| N | 0% | 0% | 0% | Max. 2% | Max. 0.40% |
| PI | 0% | 0% | 0% | Max. 0.40% | Max. 0.30% |
| R | Max. 3.5% | 0% | 0% | Max. 0.80% | Max. 0.40% |
| R2 | Max. 3.5% | Max. 2.5% | 0% | Max. 0.40% | Max. 0.40% |
| Z | 0% | 0% | 0% | 0% | Max. 0.30% |

*(*) The fees are expressed as an annual percentage of the average net asset value of the Share Class and are payable at the end of each month.*

*** **Until 31 December 2022,** 10% of the net management fees earned by Candriam are set aside (i) to support sustainability initiatives and / or (ii) to clear the carbon emissions of the Sub-Fund in accordance with the section "Candriam's commitment to support sustainability initiatives" described in the "Investment objectives" chapter of the Prospectus.*

***** As from 1st January 2023, 10% of the net management fees earned by Candriam are set aside to support environmental projects around for example reforestation & ecosystem restoration; in accordance with the section "Candriam's commitment to support sustainability initiatives" described in the "Investment objectives" chapter of the Prospectus.***

**12. Applicable cut-off times for the subscription, redemption and exchange of shares**

| | |
|---|---|
| **D** | 12 noon (Luxembourg time) is the cut-off time. |
| **D** | Valuation Date |
| **D +1** | Calculation Date |
| **D+3** | Settlement date |

This Fact Sheet forms an integral part of the Prospectus dated 1st December 2022

# CANDRIAM SUSTAINABLE

## Equity Emerging Markets

## - Fact Sheet -

This Sub-Fund is classified under Art 9. of the SFDR Regulation, i.e. it pursues a sustainable investment objective.

### 1. Investment objectives and investor profile

The aim of the Sub-Fund is to enable shareholders to benefit from the growth potential of the emerging equity markets with an investment in equities selected by the portfolio management team on a discretionary basis and to outperform the benchmark. The selection is based on the stocks' characteristics and growth prospects, as well as proprietary analysis of ESG criteria. It is our strong belief that this ESG analysis can contribute to better identifying potential risks related to, for instance, corporate governance or risks of controversies as well as opportunities arising from long-term sustainability trends.

In line with the SICAV's overall sustainability objectives, the Sub-Fund aims to contribute to reducing greenhouse gas emissions through specific targets as well as the integration of climate related indicators in equity securities analysis and aims to have long-term positive impact on environment and social domains.

The Sub-Fund is intended for investors who are prepared to accept the risks of participating in emerging equity markets, together with the level of volatility generally associated therewith.

The client must be aware of, understand and be able to bear the specific risks of the Sub-Fund listed below and defined in the Risk Factors section of the Prospectus.

### 2. Investment policy

This Sub-Fund enables shareholders to invest in a portfolio consisting of minimum 75% of equities issued by companies having their registered office or carrying out their primary economic activity in the emerging countries. These countries could be characterized as having an economic and financial system that differs from the one from developed countries, but also by their higher long-term growth potential. These stocks can be listed on their local or on international stock exchanges.

The remainder of the assets are invested in:

- Eligible securities other than those described above (notably equities issued by companies having their registered office or carrying out their primary economic activity in developed countries);
- Money market instruments;
- A maximum of 10% in UCI and UCITS; and
- Deposits or cash.

Securities/issuers are selected on the basis of an economic/financial analysis process as well as on ESG considerations, both indicative of risks and long-term opportunities.

The fundamental analysis selects the companies presenting the best evaluations on 5 criteria:

- Quality of Management,

- Business Growth,
- Competitive Advantage,
- Value Creation,
- Financial Leverage.

Securities/issuers are selected on the basis of an economic/financial analysis process as well as on ESG considerations, both indicative of risks and long-term opportunities.

The ESG aspects are analysed through a methodology developed by the Management Company and detailed under the section *Investment Objectives* in the Core part of this Prospectus.

The results of the ESG analysis are integrated into the financial management of the portfolio. This analysis aims to better enable managers to identify the risks, but also the opportunities, arising from the major challenges of sustainable development.

The ESG analysis covers the entire portfolio of the Sub-Fund, excluding deposits, cash and index derivatives.

On the basis of the ESG analysis and selection steps (ESG analysis, violations of the United Nations Global Compact, exclusion of controversial activities) listed under the section *Investment Objectives*, the Sub-Fund's analysed investment universe is reduced by at least 20%, removing from the analysed investment universe in first instance issuers presenting significant ESG-related risks.

**Implementation of the SICAV's sustainable objectives**

The Sub-Fund aims to achieve a carbon footprint that is at least 30% lower than carbon footprint of the Benchmark. For the scope taken into account as well as the methodology relating to the carbon footprint, please refer to the Transparency Code on Candriam's website, see link under section *Investment Objectives* of the Prospectus.

The aim to have long-term positive impact on environment and social domains is currently assessed by the calculation of an ESG score which results from Candriam's proprietary ESG analysis.
To fulfil this sustainable objective, the Sub-Fund's weighted average ESG score aims to be higher than the weighted average ESG score of the Benchmark.

**Engagement and vote**

The analysis and selection process is also accompanied by active stewardship, in particular through dialogue with the companies and, as a shareholder, through voting at general meetings.

**Use of derivatives**

The Sub-Fund may also use derivative financial instruments such as options, futures and foreign exchange transactions both for investment and hedging purposes.

**For further information on the ESG analysis please refer to the Transparency Code on Candriam's website, see link under section *Investment Objectives* of the Prospectus.**

## 3. Efficient portfolio management techniques

The sub-fund will conclude reverse repurchase transactions for an expected proportion that may vary between 0% and 25 % of the net assets and which may reach a maximum of 50% of the net assets under specific market conditions.
**The sub-fund will use reverse repurchase agreements, especially if market conditions justify it and only if an investment of cash through such an operation is justified**.

The sub-fund will conclude repurchase transactions for an expected proportion that may vary between 0% and 10% of the net assets and which may reach a maximum of 10% of the net assets.
**In any case, these transactions will be justified by temporary liquidity needs**.

## 4. Benchmark

The Sub-Fund is actively managed and the investment approach implies a reference to a benchmark.
The selected benchmark does not explicitly take into account sustainability objectives.
There is no EU reference index on Climate Transition or no index aligned with the Paris Agreement or any other sustainable benchmark that takes full account of the sustainability objectives and the investment strategy as described in the present Prospectus.

| | |
|---|---|
| **Benchmark name** | MSCI Emerging Markets (Net Return) |
| **Benchmark definition** | The index measures the performance of the large and mid-capitalization equity segment across emerging markets countries. |
| **Use of the benchmark** | ▪ as investment universe. In general, the majority of the Sub-Fund's financial instruments are part of the benchmark. This said, investments outside this benchmark are admitted.<br>▪ in the determination of risk levels / parameters<br>▪ for performance comparison. |
| **Deviation level of the portfolio composition from the benchmark** | The Sub-Fund being managed actively, its objective is not to invest in all constituents of the benchmark, nor to invest to the same extent in the constituents of the benchmark. Under normal market conditions, the tracking error of the Sub-Fund will be moderate to important, this is comprised between 2% and 6%.<br><br>This measure is an estimation of the deviation of the Sub-Fund's performance compared to the performance of the benchmark. The more the tracking error is important, the more deviations compared to the benchmark are important. The effective tracking error depends notably on the market conditions (volatility and correlations between financial instruments) and can deviate from the expected tracking error. |
| **Benchmark provider** | MSCI Limited |
| | This benchmark is provided by MSCI Limited which is, since Brexit, an entity benefiting from the transitional provision of article 51, §5 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014. |

| | |
|---|---|
| | The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company. |

**5. Eligibility of the Sub-Fund**

The Sub-Fund qualifies as a *GITA Equity Fund* as defined in the *Taxation* Chapter of the Prospectus.

**6. Risk factors specific to the Sub-Fund and risk management**

**6.1 Risk factors specific to the Sub-Fund**

- Risk of loss of capital
- Equity risk
- Foreign exchange risk
- Emerging markets risk
- ESG investment risk
- Liquidity risk
- Derivatives risk
- Counterparty risk
- Risk associated with Chinese A equities
- Risk of changes made to the reference index by the index provider
- Risk associated with external factors
- Sustainability risk

The general explanation of the various risk factors is given in the clause titled “Risk factors” in the Prospectus.

**6.2 Risk Management**

The total derivatives commitment will be calculated according to the commitment approach set down in CSSF circular 11/512.

**7. Base currency**: EUR.

**8. Form of the shares**: registered shares only.

**9. Share Classes**

- **BF**, capitalization shares, denominated in **EUR** [LU2521063755]

- **C**, capitalization shares, denominated in **EUR** [LU1434523954]
- **C**, capitalization shares, denominated in **USD** [LU1797946321]
- **C**, distribution shares, denominated in **EUR** [LU1434524093]
- **C**, distribution shares, denominated in **USD** [LU2343014036]

- **I**, capitalization shares, denominated in **EUR** [LU1434524259]
- **I**, capitalization shares, denominated in **USD** [LU1797946594]
- **I**, capitalization shares, denominated in **GBP** [LU1434524333]

- **N**, capitalization shares, denominated in **EUR** [LU2027379606]

- **P**, capitalization shares, denominated in **EUR** [LU2421359626]

- **R**, capitalization shares, denominated in **EUR** [LU1434524416]
- **R**, capitalization shares, denominated in **USD** [LU1797946677]
- **R**, capitalization shares, denominated in **CHF** [LU1434524507]
- **R** capitalization shares, denominated in **GBP** [LU1434524689]
- **R,** distribution shares, denominated in **EUR** [LU1720118535]

- **R2,** capitalization shares, denominated in **EUR** [LU1434524762]
- **R2,** distribution shares, denominated in **EUR** [LU1434524846]

- **S**, capitalization shares, denominated in **EUR** [LU2363113171]

- **S**, capitalization shares, denominated in **USD** [LU2495846904]

- **V**, capitalization shares, denominated in **EUR** [LU1434524929]
- **V**, distribution shares, denominated in **EUR** [LU2363113254]
- **V**, capitalization shares, denominated in **USD** [LU1797946750]

- **Z**, capitalization shares, denominated in **EUR** [LU1434525066]
- **Z**, distribution shares, denominated in **EUR** [LU1434525140]

### 10. Minimum initial subscription

There is no minimum initial subscription except for:
- the **P** share class, for which the minimum initial subscription amount is EUR 15,000,000 or its equivalent in currencies for classes denominated in foreign currencies.
- the **V** share class, for which the minimum initial subscription amount is EUR 15,000,000 or its equivalent in currencies for classes denominated in foreign currencies.
- the **S** share class, for which the minimum initial subscription amount is EUR 50,000,000 or its equivalent in currencies for classes denominated in foreign currencies.

This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same Valuation Date.

### 11. Fees and charges

| **Shares** | **Fees and charges** | | | | |
|---|---|---|---|---|---|
| | **Subscription (for the benefit of selling agents)** | **Conversion (for the benefit of selling agents)** | **Exit** | **Portfolio Management (*)(**)** | **Operational and Administrative Charges** |
| **BF** | **0%** | **0%** | **0%** | **Max. 0.30%** | **Max. 0.30%** |
| **C** | **Max. 3.5%** | **Max. 2.5%** | **0%** | **Max. 1.60%** | **Max. 0.40%** |
| **I** | **0%** | **0%** | **0%** | **Max. 0.80%** | **Max. 0.30%** |
| **N** | **0%** | **0%** | **0%** | **Max. 2%** | **Max. 0.40%** |
| **P** | **0%** | **0%** | **0%** | **Max. 0.45%** | **Max. 0.30%** |
| **R** | **Max. 3.5%** | **0%** | **0%** | **Max. 0.80%** | **Max. 0.40%** |
| **R2** | **Max. 3.5%** | **Max. 2.5%** | **0%** | **Max. 0.40%** | **Max. 0.40%** |

| | | | | | |
|---|---|---|---|---|---|
| **S** | **0%** | **0%** | **0%** | **Max. 0.40%** | **Max. 0.30%** |
| **V** | **0%** | **0%** | **0%** | **Max. 0.42%** | **Max. 0.30%** |
| **Z** | **0%** | **0%** | **0%** | **0%** | **Max. 0.30%** |

*(*) The fees are expressed as an annual percentage of the average net asset value of the Share Class and are payable at the end of each month.*

*(**) 10% of the net management fees earned by Candriam are set aside to support sustainability initiatives, in accordance with the section "Candriam's commitment to support sustainability initiatives" described in the "Investment objectives" chapter of the Prospectus.*

## 12. Applicable cut-off times for the subscription, redemption and exchange of shares

| | |
|---|---|
| **D-1** | 12 noon (Luxembourg time) is the cut-off time. |
| **D** | Valuation Date |
| **D** | Calculation Date |
| **D+2** | Settlement date |

# CANDRIAM SUSTAINABLE
# Equity EMU

## - Fact Sheet -

This Sub-Fund is classified under Art 9. of the SFDR Regulation, i.e. it pursues a sustainable investment objective.

### 1. Investment objectives and investor profile

The aim of the Sub-Fund is to enable shareholders to benefit from the growth of the euro zone equity markets with an investment in equities selected by the portfolio management team on a discretionary basis and to outperform the benchmark. The selection is based on the stocks characteristics and growth prospects, as well as proprietary analysis of ESG criteria.

In line with the SICAV's overall sustainability objectives, the Sub-Fund aims to contribute to reducing greenhouse gas emissions through specific targets as well as the integration of climate related indicators in equity securities analysis and aims to have long-term positive impact on environment and social domains.

The Sub-Fund is intended for investors who are prepared to accept the risks of participating in equity market developments, together with the level of volatility generally associated therewith.

The client must be aware of, understand and be able to bear the specific risks of the Sub-Fund listed below and defined in the Risk Factors section of the Prospectus

### 2. Investment policy

More than 75% of the assets of this Sub-Fund are invested in equity-type securities of companies having their registered office in a Member State of the euro zone that has entered into a tax treaty with France containing a clause regarding the provision of administrative assistance with a view to combating fraud and tax evasion. These securities are admitted to trading on a stock exchange or traded on a regulated market.

The remainder of the assets are invested in:

- eligible securities other than those described above (notably equities issued by companies having their registered office or carrying out their primary economic activity out of the euro zone);
- money market instruments;
- a maximum of 10% in UCI and UCITS; and
- deposits or cash.

Securities are selected on the basis of an economic/financial analysis process as well as on ESG considerations, both indicative of risks and long-term opportunities.

The fundamental analysis selects the companies presenting the best evaluations on 5 criteria:

- Quality of Management,
- Business Growth,
- Competitive Advantage,
- Value Creation,
- Financial Leverage.

The ESG aspects are analysed through a methodology developed by the Management Company and detailed under the section *Investment Objectives* in the Core part of this Prospectus.

The results of the ESG analysis are integrated into the financial management of the portfolio. This analysis aims to better enable managers to identify the risks, but also the opportunities, arising from the major challenges of sustainable development.

The ESG analysis covers the entire portfolio of the Sub-Fund, excluding deposits, cash and index derivatives.

On the basis of the ESG analysis and selection steps (ESG analysis, violations of the United Nations Global Compact, exclusion of controversial activities) listed under the section *Investment Objectives*, the Sub-Fund's analysed investment universe is reduced by at least 20%, removing in first instance from the analysed investment universe issuers presenting significant ESG-related risks.

**Implementation of the SICAV’s sustainable objectives**

The Sub-Fund aims to achieve a carbon footprintthat is at least 30% lower than carbon footprintof the Benchmark. For the scope taken into account as well as the methodology relating to the carbon footprint, please refer to the Transparency Code on Candriam’s website, see link under section *Investment Objectives* of the Prospectus.

The aim to have long-term positive impact on environment and social domains is currently assessed by the calculation of an ESG score which results from Candriam’s proprietary ESG analysis.
To fulfil this sustainable objective, the Sub-Fund’s weighted average ESG score aims to be higher than the weighted average ESG score of the Benchmark.

**Engagement and vote**

The analysis and selection process is also accompanied by active stewardship, in particular through dialogue with the companies and, as a shareholder, through voting at general meetings.

**Use of Derivatives**

The Sub-Fund may also use derivative products such as options, futures and foreign exchange transactions both for investment and hedging purposes.

**For further information on the ESG analysis please refer to the Transparency Code on Candriam’s website, see link under section *Investment Objectives* of the Prospectus.**

**3. Efficient portfolio management techniques**

The sub-fund will conclude reverse repurchase transactions for an expected proportion that may vary between 0% and 25 % of the net assets and which may reach a maximum of 50% of the net assets under specific market conditions.
**The sub-fund will use reverse repurchase agreements, especially if market conditions justify it and only if an investment of cash through such an operation is justified**.

The sub-fund will conclude repurchase transactions for an expected proportion that may vary between 0% and 10% of the net assets and which may reach a maximum of 10% of the net assets.
**In any case, these transactions will be justified by temporary liquidity needs**.

## 4. Benchmark

The Sub-Fund is actively managed and the investment approach implies a reference to a benchmark.
The selected benchmark does not explicitly take into account sustainability objectives.
There is no EU reference index on Climate Transition or no index aligned with the Paris Agreement or any other sustainable benchmark that takes full account of the sustainability objectives and the investment strategy as described in the present Prospectus.

| | | |
|---|---|---|
| **Benchmark name** | MSCI EMU (Net Return) | |
| **Benchmark definition** | The index measures the performance of the large and mid-capitalization equity segment across developed markets in the European Economic and Monetary Union (EMU). | |
| **Use of the benchmark** | ▪ as investment universe. In general, the majority of the Sub-Fund's financial instruments are part of the benchmark. This said, investments outside this benchmark are admitted.<br>▪ in the determination of risk levels / parameters<br>▪ for performance comparison. | |
| **Deviation level of the portfolio composition from the benchmark** | The Sub-Fund being managed actively, its objective is not to invest in all constituents of the benchmark, nor to invest to the same extent in the constituents of the benchmark. Under normal market conditions, the tracking error of the Sub-Fund will be moderate to important, this is comprised between 2% and 6%.<br><br>This measure is an estimation of the deviation of the Sub-Fund's performance compared to the performance of the benchmark. The more the tracking error is important, the more deviations compared to the benchmark are important. The effective tracking error depends notably on the market conditions (volatility and correlations between financial instruments) and can deviate from the expected tracking error. | |
| **Benchmark provider** | MSCI Limited | |
| | This benchmark is provided by MSCI Limited which is, since Brexit, an entity benefiting from the transitional provision of article 51, §5 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014. | |
| | The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company. | |

## 5. Eligibility of the Sub-Fund

The Sub-Fund qualifies as a *GITA Equity Fund* as defined in the *Taxation* Chapter of the Prospectus.
The Sub-Fund is eligible for PEA as defined in the *Taxation* Chapter of the Prospectus.

## 6. Risk factors specific to the Sub-Fund and risk management

### 6.1 Risk factors specific to the Sub-Fund

- Risk of loss of capital
- Equity risk
- ESG investment risk
- Liquidity risk
- Derivatives risk
- Risk of changes made to the reference index by the index provider
- Risk associated with external factors
- Sustainability risk

The general explanation of the various risk factors is given in the clause titled "Risk factors" in the Prospectus.

### 6.2 Risk Management

The total derivatives commitment will be calculated according to the commitment approach set down in CSSF circular 11/512.

7. **Base currency**: EUR.

8. **Form of the shares**: registered shares only.

## 9. Share Classes

- **C**, capitalization shares, denominated in **EUR** [LU1313771187]
- **C**, distribution shares, denominated in **EUR** [LU1313771260]

- **I**, capitalization shares, denominated in **EUR** [LU1313771344]

- **R**, capitalization shares, denominated in **EUR** [LU1313771427]
- **R,** distribution shares, denominated in **EUR** [LU1720121679]

- **R2,** capitalization shares, denominated in **EUR** [LU1434525223]
- **R2,** distribution shares, denominated in **EUR** [LU1434525496]

- **V**, capitalization shares, denominated in **EUR** [LU1313771690]

- **Z**, capitalization shares, denominated in **EUR** [LU1313771773]
- **Z**, distribution shares, denominated in **EUR** [LU1434525579]

## 10. Minimum initial subscription

There is no minimum initial subscription except for the **V** share class, for which the minimum initial subscription amount is EUR 15,000,000 or its equivalent in other currencies. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same Valuation Date.

## 11. Fees and charges

| Shares | Fees and charges | | | | |
|---|---|---|---|---|---|
| | **Subscription (for the benefit of selling agents)** | **Conversion (for the benefit of selling agents)** | **Exit** | **Portfolio Management (*)(**)** | **Operational and Administrative Charges** |
| **C** | **Max. 3.5%** | **Max. 2.5%** | **0%** | **Max. 1.50%** | **Max. 0.40%** |
| **I** | **0%** | **0%** | **0%** | **Max. 0.70%** | **Max. 0.30%** |
| **R** | **Max. 3.5%** | **0%** | **0%** | **Max. 0.80%** | **Max. 0.40%** |
| **R2** | **Max. 3.5%** | **Max. 2.5%** | **0%** | **Max. 0.38%** | **Max. 0.40%** |
| **V** | **0%** | **0%** | **0%** | **Max. 0.42%** | **Max. 0.30%** |
| **Z** | **0%** | **0%** | **0%** | **0%** | **Max. 0.30%** |

*(*) The fees are expressed as an annual percentage of the average net asset value of the Share Class and are payable at the end of each month.*

*(**) 10% of the net management fees earned by Candriam are set aside to support sustainability initiatives, in accordance with the section "Candriam's commitment to support sustainability initiatives" described in the "Investment objectives" chapter of the Prospectus.*

## 12. Applicable cut-off times for the subscription, redemption and exchange of shares

| | |
|---|---|
| **D** | 12 noon (Luxembourg time) is the cut-off time. |
| **D** | Valuation Date |
| **D +1** | Calculation Date |
| **D+3** | Settlement date |

# CANDRIAM SUSTAINABLE
## Equity Europe
## - Fact Sheet -

This Sub-Fund is classified under Art 9. of the SFDR Regulation, i.e. it pursues a sustainable investment objective.

### 1. Investment objectives and investor profile

The aim of the Sub-Fund is to enable shareholders to benefit from the growth of the European equity markets with an investment in equities selected by the portfolio management team on a discretionary basis and to outperform the benchmark. The selection is based on the stocks characteristics and growth prospects, as well as proprietary analysis of ESG criteria.

In line with the SICAV's overall sustainability objectives, the Sub-Fund aims to contribute to reducing greenhouse gas emissions through specific targets as well as the integration of climate related indicators in equity securities analysis and aims to have long-term positive impact on environment and social domains.

The Sub-Fund is intended for investors who are prepared to accept the risks of participating in equity market developments, together with the level of volatility generally associated therewith.

The client must be aware of, understand and be able to bear the specific risks of the Sub-Fund listed below and defined in the Risk Factors section of the Prospectus

### 2. Investment policy

This Sub-Fund enables shareholders to invest in a portfolio consisting of minimum 75% of equities issued by companies having their registered office or carrying out their primary economic activity in Europe.

The remainder of the assets are invested in:

- eligible securities other than those described above (notably equities issued by companies having their registered office or carrying out their primary economic activity out of Europe);
- money market instruments;
- a maximum of 10% in UCI and UCITS; and
- deposits or cash.

Securities/issuers are selected on the basis of an economic/financial analysis process as well as on ESG considerations, both indicative of risks and long-term opportunities.

The fundamental analysis selects the companies presenting the best evaluations on 5 criteria:

- Quality of Management,
- Business Growth,
- Competitive Advantage,
- Value Creation,
- Financial Leverage.

The ESG aspects are analysed through a methodology developed by the Management Company and detailed under the section *Investment Objectives* in the Core part of this Prospectus.

The results of the ESG analysis are integrated into the financial management of the portfolio. This analysis aims to better enable managers to identify the risks, but also the opportunities, arising from the major challenges of sustainable development.

The ESG analysis covers the entire portfolio of the Sub-Fund, excluding deposits, cash and index derivatives.

On the basis of the ESG analysis and selection steps (ESG analysis, violations of the United Nations Global Compact, exclusion of controversial activities) listed under the section *Investment Objectives*, the Sub-Fund's analysed investment universe is reduced by at least 20%, removing from the analysed investment universe in first instance issuers presenting significant ESG-related risks.

**Implementation of the SICAV's sustainable objectives**

The Sub-Fund aims to achieve a carbon footprint that is at least 30% lower than carbon footprint of the Benchmark. For the scope taken into account as well as the methodology relating to the carbon footprint, please refer to the Transparency Code on Candriam's website, see link under section *Investment Objectives* of the Prospectus.

The aim to have long-term positive impact on environment and social domains is currently assessed by the calculation of an ESG score which results from Candriam's proprietary ESG analysis.

To fulfil this sustainable objective, the Sub-Fund's weighted average ESG score aims to be higher than the weighted average ESG score of the Benchmark.

**Engagement and vote**

The analysis and selection process is also accompanied by active stewardship, in particular through dialogue with the companies and, as a shareholder, through voting at general meetings.

**Use of derivatives**

The Sub-Fund may also use derivative products such as options, futures and foreign exchange transactions both for investment and hedging purposes.

**For further information on the ESG analysis please refer to the Transparency Code on Candriam's website, see link under section *Investment Objectives* of the Prospectus.**

**3. Efficient portfolio management techniques**

The sub-fund will conclude reverse repurchase transactions for an expected proportion that may vary between 0% and 25 % of the net assets and which may reach a maximum of 50% of the net assets under specific market conditions.
**The sub-fund will use reverse repurchase agreements, especially if market conditions justify it and only if an investment of cash through such an operation is justified**.

The sub-fund will conclude repurchase transactions for an expected proportion that may vary between 0% and 10% of the net assets and which may reach a maximum of 10% of the net assets.
**In any case, these transactions will be justified by temporary liquidity needs**.

## 4. Benchmark

The Sub-Fund is actively managed and the investment approach implies a reference to a benchmark.
The selected benchmark does not explicitly take into account sustainability objectives.
There is no EU reference index on Climate Transition or no index aligned with the Paris Agreement or any other sustainable benchmark that takes full account of the sustainability objectives and the investment strategy as described in the present Prospectus.

| | |
|---|---|
| **Benchmark name** | MSCI Europe (Net Return) |
| **Benchmark definition** | The index measures the performance of the large and mid-capitalization equity segment across developed markets in Europe. |
| **Use of the benchmark** | ▪ as investment universe. In general, the majority of the Sub-Fund's financial instruments are part of the benchmark. This said, investments outside this benchmark are admitted.<br>▪ in the determination of risk levels / parameters<br>▪ for performance comparison. |
| **Deviation level of the portfolio composition from the benchmark** | The Sub-Fund being managed actively, its objective is not to invest in all constituents of the benchmark, nor to invest to the same extent in the constituents of the benchmark. Under normal market conditions, the tracking error of the Sub-Fund will be moderate to important, this is comprised between 2% and 6%.<br><br>This measure is an estimation of the deviation of the Sub-Fund's performance compared to the performance of the benchmark. The more the tracking error is important, the more deviations compared to the benchmark are important. The effective tracking error depends notably on the market conditions (volatility and correlations between financial instruments) and can deviate from the expected tracking error. |
| **Benchmark provider** | MSCI Limited |
| | This benchmark is provided by MSCI Limited which is, since Brexit, an entity benefiting from the transitional provision of article 51, §5 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014. |
| | The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company. |

5. **Eligibility of the Sub-Fund**

The Sub-Fund qualifies as a GITA Equity Fund as defined in the Taxation Chapter of the Prospectus**.**

6. **Risk factors specific to the Sub-Fund and risk management**

**6.1 Risk factors specific to the Sub-Fund**

- Risk of loss of capital
- Equity risk
- Foreign exchange risk
- ESG investment risk
- Liquidity risk
- Derivatives risk
- Counterparty risk
- Risk of changes made to the reference index by the index provider
- Risk associated with external factors
- Sustainability risk

The general explanation of the various risk factors is given in the clause titled "Risk factors" in the Prospectus.

**6.2 Risk Management**

The total derivatives commitment will be calculated according to the commitment approach set down in CSSF circular 11/512.

7. **Base currency:** EUR

8. **Form of the shares: registered shares only.**

9. **Share Classes**

- **BF**, capitalization shares, denominated in **EUR** [LU2178211343]
- **BF**, distribution shares, denominated in **EUR** [LU2178211426]

- **C**, capitalization shares, denominated in **EUR** [LU1313771856]
- **C**, distribution shares, denominated in **EUR** [LU1313771930]

- **I**, capitalization shares, denominated in **EUR** [LU1313772078]

- **N**, capitalization shares, denominated in **EUR** [LU2027379788]

- **R**, capitalization shares, denominated in **EUR** [LU1313772151]
- **R,** distribution shares, denominated in **EUR** [LU1720118618]

- **R2,** capitalization shares, denominated in **EUR** [LU1720118709]
- **R2,** distribution shares, denominated in **EUR** [LU1720118964]

- **V**, capitalization shares, denominated in **EUR** [LU1313772235]

- **Z**, capitalization shares, denominated in **EUR** [LU1313772318]
- **Z**, distribution shares, denominated in **EUR** [LU1434525819]

## 10. Minimum initial subscription

There is no minimum initial subscription except for the **V** share class, for which the minimum initial subscription amount is EUR 15,000,000 or its equivalent in other currencies. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same Valuation Date.

## 11. Fees and charges

| Shares | Fees and charges | | | | |
|---|---|---|---|---|---|
| | Subscription (for the benefit of selling agents) | Conversion (for the benefit of selling agents) | Exit | Portfolio Management (*)(**) | Operational and Administrative Charges |
| BF | 0% | 0% | 0% | Max. 0.30% | Max. 0.30% |
| C | Max. 3.5% | Max. 2.5% | 0% | Max. 1.50% | Max. 0.40% |
| I | 0% | 0% | 0% | Max. 0.70% | Max. 0.30% |
| N | 0% | 0% | 0% | Max. 2% | Max. 0.40% |
| R | Max. 3.5% | 0% | 0% | Max. 0.80% | Max. 0.40% |
| R2 | Max. 3.5% | Max. 2.5% | 0% | Max. 0.38% | Max. 0.40% |
| V | 0% | 0% | 0% | Max. 0.42% | Max. 0.30% |
| Z | 0% | 0% | 0% | 0% | Max. 0.30% |

*(*) The fees are expressed as an annual percentage of the average net asset value of the Share Class and are payable at the end of each month.*

*(**) 10% of the net management fees earned by Candriam are set aside to support sustainability initiatives, in accordance with the section "Candriam's commitment to support sustainability initiatives" described in the "Investment objectives" chapter of the Prospectus.*

## 12. Applicable cut-off times for the subscription, redemption and exchange of shares

| | |
|---|---|
| **D** | 12 noon (Luxembourg time) is the cut-off time. |
| **D** | Valuation Date |
| **D +1** | Calculation Date |
| **D+3** | Settlement date |

# CANDRIAM SUSTAINABLE
# Equity Europe Small & Mid Caps

## - Fact Sheet -

This Sub-Fund is classified under Art 9. of the SFDR Regulation, i.e. it pursues a sustainable investment objective.

### 1. Investment objectives and investor profile

The aim of the Sub-Fund is to enable shareholders to benefit from the growth of the European small and mid caps equity markets with an investment in equities selected by the portfolio management team on a discretionary basis and to outperform the benchmark. The selection is based on the stocks fundamental characteristics, as well as proprietary analysis of ESG criteria.

In line with the SICAV's overall sustainability objectives, the Sub-Fund aims to contribute to reducing greenhouse gas emissions through specific targets as well as the integration of climate related indicators in equity securities analysis and aims to have long-term positive impact on environment and social domains.

The Sub-Fund is intended for investors who are prepared to accept the risks of participating in small and mid caps equity market developments, together with the level of volatility generally associated therewith.
The client must be aware of, understand and be able to bear the specific risks of the Sub-Fund listed below and defined in the *Risk Factors* section of the Prospectus.

### 2. Investment policy

This Sub-Fund invests primarily in equities issued by small and mid caps companies having their registered office or carrying out their primary economic activity in Europe (including United Kingdom and Switzerland).

The remainder of the assets are invested in:

- Securities other than those described above in accordance with Article 41 (1) of the Law of 2010 (i.e. eligible close-ended REITS…);
- Money market instruments;
- UCIs and UCITS for a maximum of 10% of assets in accordance with Article 41 (1) of the Law of 2010;
- Deposits and/or cash.

Securities/issuers are selected on the basis of an economic/financial analysis process as well as on ESG considerations, both indicative of risks and long-term opportunities.

The fundamental analysis selects the companies presenting the best evaluations on 5 criteria:

- Quality of Management,
- Business Growth,
- Competitive Advantage,
- Value Creation,
- Financial Leverage.

The ESG aspects are analysed through a methodology developed by the Management Company and detailed under the section *Investment Objectives* in the Core part of the Prospectus.

The results of the ESG analysis are integrated into the financial management of the portfolio. This analysis aims to better enable managers to identify the risks, but also the opportunities, arising from the major challenges of sustainable development.

The ESG analysis covers the entire portfolio of the Sub-Fund, excluding deposits, cash and index derivatives.

On the basis of the ESG analysis and selection steps (ESG analysis, violations of the United Nations Global Compact, exclusion of controversial activities) listed under the section *Investment Objectives*, the Sub-Fund's analysed investment universe is reduced by at least 20 % by removing from the analysed investment universe in first instance issuers presenting significant ESG-related risks.

**Implementation of the SICAV's sustainable objectives**

The Sub-Fund aims to achieve a carbon footprint that is at least 30% lower than carbon footprint of the Benchmark.
For the scope taken into account as well as the methodology relating to the carbon footprint, please refer to the Transparency Code on Candriam's website, see link under section *Investment Objectives* of the Prospectus.

The aim to have long-term positive impact on environment and social domains is currently assessed by the calculation of an ESG score which results from Candriam's proprietary ESG analysis.
To fulfil this sustainable objective, the Sub-Fund's weighted average ESG score aims to be higher than the weighted average ESG score of the Benchmark.

**Engagement and vote**
The analysis and selection process is also accompanied by active stewardship, in particular through dialogue with the companies and, as a shareholder, through voting at general meetings.

**Use of derivatives**

The Sub-Fund may also use derivative products such as options, futures and foreign exchange transactions both for investment and hedging purposes.

**Other ESG aspects**

At the date of the Prospectus, the Sub-Fund has not filed for the French SRI Label.

**For further information on the ESG analysis please refer to the Transparency Code on Candriam's website, see link under section *Investment Objectives* of the Prospectus.**

**3. Efficient portfolio management techniques**

The sub-fund will conclude reverse repurchase transactions for an expected proportion that may vary between 0% and 25 % of the net assets and which may reach a maximum of 50% of the net assets under specific market conditions.
**The sub-fund will use reverse repurchase agreements, especially if market conditions justify it and only if an investment of cash through such an operation is justified**.

The sub-fund will conclude repurchase transactions for an expected proportion that may vary between 0% and 10% of the net assets and which may reach a maximum of 10% of the net assets.
**In any case, these transactions will be justified by temporary liquidity needs**.

## 4. Benchmark

The Sub-Fund is actively managed and the investment approach implies a reference to a benchmark.
The selected benchmark does not explicitly take into account sustainability objectives.
There is no EU reference index on Climate Transition or no index aligned with the Paris Agreement or any other sustainable benchmark that takes full account of the sustainability objectives and the investment strategy as described in the present Prospectus.

| | |
|---|---|
| **Benchmark name** | MSCI Europe Small Caps (Net Return) |
| **Benchmark definition** | The index measures the performance of the small capitalization equity segment across developed markets in Europe. |
| **Use of the benchmark** | ▪ in the determination of risk levels / parameters<br>▪ for performance comparison. |
| **Deviation level of the portfolio composition from the benchmark** | The Sub-Fund being managed actively, its objective is not to invest in all constituents of the benchmark, nor to invest to the same extent in the constituents of the benchmark. Under normal market conditions, the tracking error of the Sub-Fund will be important, this is over 4%.<br>This measure is an estimation of the deviation of the sub-fund's performance compared to the performance of the benchmark. The more the tracking error is important, the more deviations compared to the benchmark are important. The effective tracking error depends notably on the market conditions (volatility and correlations between financial instruments) and can deviate from the expected tracking error. |
| **Benchmark provider** | MSCI Limited |
| | This benchmark is provided by MSCI Limited which is, since Brexit, an entity benefiting from the transitional provision of article 51, §5 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014. |
| | The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company. |

## 5. Eligibility of the Sub-Fund

The Sub-Fund qualifies as a *GITA Equity Fund* as defined in the *Taxation* Chapter of the Prospectus.

6. **Risk factors specific to the Sub-Fund and risk management**

**6.1 Risk factors specific to the Sub-Fund**

- Risk of loss of capital
- Equity risk
- Foreign exchange risk
- ESG investment risk
- Liquidity risk
- Concentration risk
- Derivatives risk
- Counterparty risk
- Risk of changes made to the reference index by the index provider
- Risk associated with external factors
- Sustainability risk

The general explanation of the various risk factors is given in the clause titled “Risk factors” in the Prospectus.

**6.2 Risk Management**

The total derivatives commitment will be calculated according to the commitment approach set down in CSSF circular 11/512.

7. **Base currency**: EUR

8. **Form of the shares**: registered shares only

9. **Share Classes**

- **BF**, capitalization shares, denominated in **EUR** [LU2258564868]
- **BF**, distribution shares, denominated in **EUR** [LU2258564942]

- **C**, capitalization shares, denominated in **EUR** [LU2258565089]
- **C**, distribution shares, denominated in **EUR** [LU2258565162]

- **I**, capitalization shares, denominated in **EUR** [LU2258565246]
- **I**, distribution shares, denominated in **EUR** [LU2258565329]

- **PI**, capitalization shares, denominated in **EUR** [LU2258565592]

- **R**, capitalization shares, denominated in **EUR** [LU2258565675]

- **R2,** capitalization shares, denominated in **EUR** [LU2258565758]
- **R2,** distribution shares, denominated in **EUR** [LU2258565832]

- **V**, capitalization shares, denominated in **EUR** [LU2258565915]

- **Z**, capitalization shares, denominated in **EUR** [LU2258566053]
- **Z**, distribution shares, denominated in **EUR** [LU2258566137]

## 10. Minimum initial subscription

There is no minimum initial subscription except for:

- The **PI** share class for which the minimum initial subscription amount is EUR 1,000,000 or its equivalent in in currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same Valuation Date.

- the **V** share class, for which the minimum initial subscription amount is EUR 15,000,000 or its equivalent in in currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same Valuation Date.

## 11. Fees and charges

| Shares | Fees and charges | | | | |
|---|---|---|---|---|---|
| | Subscription (for the benefit of selling agents) | Conversion (for the benefit of selling agents) | Exit | Portfolio Management (*)(**) | Operational and Administrative Charges |
| BF | 0% | 0% | 0% | Max. 0.30% | Max. 0.30% |
| C | Max. 3.5% | Max. 2.5% | 0% | Max. 1.60% | Max. 0.40% |
| I | 0% | 0% | 0% | Max. 0.75% | Max. 0.30% |
| PI | 0% | 0% | 0% | Max. 0.75% | Max. 0.30% |
| R | Max. 3.5% | 0% | 0% | Max. 0.90% | Max. 0.40% |
| R2 | Max. 3.5% | Max. 2.5% | 0% | Max. 0.40% | Max. 0.40% |
| V | 0% | 0% | 0% | Max. 0.55% | Max. 0.30% |
| Z | 0% | 0% | 0% | 0% | Max. 0.30% |

*(*) The fees are expressed as an annual percentage of the average net asset value of the Share Class and are payable at the end of each month.*

*(**) 10% of the net management fees earned by Candriam are set aside to support sustainability initiatives, in accordance with the section "Candriam's commitment to support sustainability initiatives" described in the "Investment objectives" chapter of the Prospectus.*

## 12. Applicable cut-off times for the subscription, redemption and exchange of shares

| | |
|---|---|
| **D** | 12 noon (Luxembourg time) is the cut-off time. |
| **D** | Valuation Date |
| **D+1** | Calculation Date |
| **D+3** | Settlement date |

# CANDRIAM SUSTAINABLE
# Equity Future Mobility

## - Fact Sheet -

This Sub-Fund is classified under Art 9. of the SFDR Regulation, i.e. it pursues a sustainable investment objective.

### 1. Investment objectives and investor profile

The objective of the Sub-Fund is to benefit from the performance of the market in global equities of companies that provide solutions for a cleaner, safer & smarter future mobility on the basis of discretionary management. The selection is mainly based on the securities financial characteristics and proprietary analysis of ESG criteria.
This objective is aligned with the SICAV's sustainable objective related to climate change in as much as the transition towards cleaner, more efficient mobility solutions represents an important step towards achieving the objectives of the Paris Agreement, in particular when considering that transport represents between 15 and 20% of European greenhouse gas emissions
This Sub-Fund is intended for investors who wish to achieve this objective over a long investment holding period and who are aware of, understand and are able to bear the specific risks of the Sub-Fund as set out below and defined in the *Risk factors* section of the Prospectus.

### 2. Investment policy

This Sub-Fund invests primarily in equities of small, mid and large cap companies throughout the world, which provide solutions for a cleaner, safer & smarter future mobility.
This is, companies involved in activities which enable the transition to:

- **A cleaner mobility**, such as companies that manufacture, sell, or promote electric vehicles & E-bikes, battery technology, hydrogen & fuel cell, public transport, emission control, etc.
- **A safer mobility,** such as companies that manufacture, sell, or promote autonomous driving, connected vehicles, advanced driver assistance systems, next generation traffic systems, etc.
- **A smarter mobility,** such as companies that manufacture, sell, or promote digital mobility, smart city, sharing economy, urban air mobility, etc.

The Sub-Fund may hold, on an ancillary basis, the following financial instruments:

- Securities other than those described above in accordance with Article 41 (1) of the Law of 2010 (i.e. eligible close-ended REITS, Chinese A equities for a maximum of 10%, equities of companies active in the automotive sector, for a maximum of 30% …);
- Money market instruments;
- Deposits and/or cash;
- UCIs and UCITS for a maximum of 10% of assets in accordance with Article 41 (1) of the Law of 2010.

Securities are selected on the basis of an economic/financial analysis process as well as on ESG considerations, both indicative of risks and long-term opportunities.

The ESG aspects are analysed through a methodology developed by the Management Company and detailed under the section Investment Objectives in the Core part of this Prospectus.

The investment process is based on a fundamental approach, consisting out of two different building blocks:

As first step, investment ideas are screened and scored using a dynamic proprietary Future Mobility Thematic Framework. All selected companies have undergone the Future Mobility framework assessment: companies have either been identified as a provider of direct and tangible solutions to make future mobility cleaner, safer or smarter or as companies adopting solutions in their value chain and business operations, with the aim to provide products or services that help the world to evolve to cleaner, safer & smarter mobility.

In a second step, each company is assessed through a financial framework according to five fundamental criteria: quality of management, business growth, competitive advantage, value creation, and financial leverage. The stakeholders analysis and the analysis of each company's activities (products and services) is further integrated into the financial management of the portfolio. This analysis aims to better enable managers to identify the risks, but also the opportunities, arising from the major challenges of sustainable development.

The ESG analysis covers the entire portfolio of the Sub-Fund, excluding deposits, cash and index derivatives.

The objective to invest in cleaner, safer and smarter mobility solutions is aligned with the SICAV's sustainable objective related to climate change in as much as the transition towards cleaner, more efficient, mobility solutions represents an important steps towards achieving the objectives of the Paris Agreement, in particular when considering that transport represents between 15 and 20% of European greenhouse gas emissions. It is therefore essential for this strategy to consider not just individual companies' carbon emissions, but their overall contribution to the Paris Agreement objectives through their alignment with a 2 degree global warming low carbon scenario. Such alignment relies not only on carbon emissions, but encompasses avoided emissions as well as a forward looking assessment of a company's investment plans, greenhouse gas emission reduction target credibility and strategy.
Over the recent past, models have been developed to enable the assessment of a company's alignment with such 2 degree scenario. These so-called Sector Decarbonization Approaches define greenhouse gas emission reductions pathways within each sector, compatible with the sector's current contribution to climate change as well as the overall objective.

The Sub-Fund aims to achieve an overall portfolio alignment with a temperature scenario equal or lower than 2.5 degrees. As the availability and reliability of company climate data evolves over time, the Sub-Fund aims to be aligned with a temperature scenario equal or lower than 2 degrees by January 1st 2025. For details about the methodology use to calculate the temperature to which a portfolio is aligned, please refer to the Transparency code on Candriam's website, see link under section *Investment Objectives* of the Prospectus.

In line with this objective, the Sub-Fund aims to invest a higher share of total AuM in high stake companies than the Benchmark. High stake companies are defined by the EU Climate Benchmark regulation as those belonging to one of the sectors considered to play the biggest role in achieving the Paris Agreement objectives.
On the basis of the ESG analysis and selection steps (ESG analysis, violations of the United Nations Global Compact, exclusion of controversial activities) listed under the section *Investment Objectives*, the Sub-Fund's analysed investment universe is reduced by at least 20%, removing from the analysed investment universe in first instance issuers presenting significant ESG-related risks.

**Engagement and vote**

The analysis and selection process is also accompanied by active stewardship, in particular through dialogue with the companies and, as a shareholder, through voting at general meetings.

**Use of derivatives**

The Sub-Fund may also use derivative products such as options, futures and foreign exchange transactions both for investment and hedging purposes.

**Other ESG aspects**

At the date of the Prospectus, the Sub-Fund has not filed for the French SRI Label.

**For further information on the ESG analysis please refer to the Transparency Code on Candriam's website see link under section *Investment Objectives* of the Prospectus.**

### 3. Efficient portfolio management techniques

The sub-fund will conclude reverse repurchase transactions for an expected proportion that may vary between 0% and 25 % of the net assets and which may reach a maximum of 50% of the net assets under specific market conditions.
**The sub-fund will use reverse repurchase agreements, especially if market conditions justify it and only if an investment of cash through such an operation is justified**.

The sub-fund will conclude repurchase transactions for an expected proportion that may vary between 0% and 10% of the net assets and which may reach a maximum of 10% of the net assets.
**In any case, these transactions will be justified by temporary liquidity needs**.

### 4. Benchmark

The Sub-Fund is actively managed and the investment approach implies a reference to a benchmark.
The selected benchmark does not explicitly take into account sustainability objectives.
There is no EU reference index on Climate Transition or no index aligned with the Paris Agreement or any other sustainable benchmark that takes full account of the sustainability objectives and the investment strategy as described in the present Prospectus.

| | |
|---|---|
| **Benchmark name** | MSCI ACWI (Net Return) |
| **Benchmark definition** | The index measures the performance of the large and mid-capitalization equity segment across developed and emerging markets worldwide. |
| **Use of the benchmark** | ▪ as investment universe. In general, the majority of the sub-fund's financial instruments are part of the benchmark. This said, investments outside this benchmark are admitted.<br>▪ in the determination of risk levels / parameters<br>▪ for performance comparison. |
| **Deviation level of the portfolio composition from the benchmark** | The sub-fund being managed actively, its objective is not to invest in all constituents of the benchmark, nor to invest to the same extent in the constituents of the benchmark. Under normal market conditions, the tracking error of the sub-fund will be important, this is over 4%<br><br>This measure is an estimation of the deviation of the sub-fund's performance compared to the performance of the benchmark. The more the tracking error is important, the more deviations compared to the benchmark are important. The effective tracking error depends notably on the market conditions (volatility and correlations between financial instruments) and can deviate from the expected tracking error. |
| **Benchmark provider** | MSCI Limited |
| | This benchmark is provided by MSCI Limited which is, since Brexit, an entity benefiting from the transitional provision of article 51, §5 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on |

| | |
|---|---|
| | indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014. |
| | The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company. |

**5. Eligibility of the Sub-Fund**

The Sub-Fund qualifies as a *GITA Equity Fund* as defined in the *Taxation* Chapter of the Prospectus.

**6. Risk factors specific to the Sub-Fund and risk management**

**6.1 Risk factors specific to the Sub-Fund**

- Risk of loss of capital
- Equity risk
- Foreign exchange risk
- Emerging Countries risk
- ESG investment risk
- Liquidity risk
- Concentration risk
- Derivatives risk
- Counterparty risk
- Risk associated with Chinese A equities
- Risk of changes made to the reference index by the index provider
- Risk associated with external factors
- Share class hedging risk
- Sustainability risk

The general explanation of the various risk factors is given in the clause titled “Risk factors” in the Prospectus.

**6.2 Risk Management**

The total derivatives commitment will be calculated according to the commitment approach set down in CSSF circular 11/512.

**7. Base currency**: USD

**8. Form of the shares**: registered shares only

**9. Share Classes**

- **BF**, capitalization shares, denominated in **USD** [LU2258562490]
- **BF**, distribution shares, denominated in **USD** [LU2258562573]
- **BF**, capitalization shares, denominated in **EUR** [LU2258562656]
- **BF**, distribution shares, denominated in **EUR** [LU2258562730]

- **C**, capitalization shares, denominated in **USD** [LU2258562813]
- **C**, distribution shares, denominated in **USD** [LU2258562904]
- **C**, capitalization shares, denominated in **EUR** [LU2258563035]
- **C-H**, capitalization shares, denominated in **EUR** [LU2258563118]

- **I**, capitalization shares, denominated in **USD** [LU2258563209]
- **I**, capitalization shares, denominated in **EUR** [LU2258563381]
- **I-H**, capitalization shares, denominated in **EUR** [LU2421359972]

- **N**, capitalization shares, denominated in **USD** [LU2363113338]
- **N**, capitalization shares, denominated in **EUR** [LU2363113411]
- **N-H**, capitalization shares, denominated in **EUR** [LU2363113502]

- **R**, capitalization shares, denominated in **USD** [LU2258563464]
- **R**, distribution shares, denominated in **USD** [LU2258563548]
- **R**, capitalization shares, denominated in **EUR** [LU2258563621]
- **R-H**, capitalization shares, denominated in **EUR** [LU2258563894]

- **R2,** capitalization shares, denominated in **USD** [LU2258563977]
- **R2,** distribution shares, denominated in **USD** [LU2258564199]
- **R2,** capitalization shares, denominated in **EUR** [LU2258564272]
- **R2-H,** capitalization shares, denominated in **EUR** [LU2258564355]

- **S,** capitalization shares, denominated in **USD** [LU2258564439]

- **V**, capitalization shares, denominated in **USD** [LU2258564512]

- **Z**, capitalization shares, denominated in **USD** [LU2258564603]
- **Z**, distribution shares, denominated in **USD** [LU2258564785]

**10. Minimum initial subscription**

There is no minimum initial subscription except for the **V** share class, for which the minimum initial subscription amount is EUR 15,000,000 or its equivalent in in currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same Valuation Date.

## 11. Fees and charges

| Shares | Fees and charges | | | | |
|---|---|---|---|---|---|
| | **Subscription (for the benefit of selling agents)** | **Conversion (for the benefit of selling agents)** | **Exit** | **Portfolio Management (*)(**)** | **Operational and Administrative Charges** |
| **BF** | **0%** | **0%** | **0%** | **Max. 0.30%** | **Max. 0.30%** |
| **C** | **Max. 3.5%** | **Max. 2.5%** | **0%** | **Max. 1.60%** | **Max. 0.40%** |
| **I** | **0%** | **0%** | **0%** | **Max. 0.80%** | **Max. 0.30%** |
| **N** | **0%** | **0%** | **0%** | **Max. 2%** | **Max. 0.40%** |
| **R** | **Max. 3.5%** | **0%** | **0%** | **Max. 0.80%** | **Max. 0.40%** |
| **R2** | **Max. 3.5%** | **Max. 2.5%** | **0%** | **Max. 0.40%** | **Max. 0.40%** |
| **S** | **0%** | **0%** | **0%** | **Max. 0.40%** | **Max. 0.30%** |
| **V** | **0%** | **0%** | **0%** | **Max. 0.48%** | **Max. 0.30%** |
| **Z** | **0%** | **0%** | **0%** | **0%** | **Max. 0.30%** |

*(*) The fees are expressed as an annual percentage of the average net asset value of the Share Class and are payable at the end of each month.*

*(**) 10% of the net management fees earned by Candriam are set aside to support sustainability initiatives, in accordance with the section "Candriam's commitment to support sustainability initiatives" described in the "Investment objectives" chapter of the Prospectus.*

## 12. Applicable cut-off times for the subscription, redemption and exchange of shares

| | |
|---|---|
| **D** | 12 noon (Luxembourg time) is the cut-off time. |
| **D** | Valuation Date |
| **D+1** | Calculation Date |
| **D+3** | Settlement date |

# CANDRIAM SUSTAINABLE

## Equity Japan

## - Fact Sheet -

This Sub-Fund is classified under Art 9. of the SFDR Regulation, i.e. it pursues a sustainable investment objective.

### 1. Investment objectives and investor profile

The aim of the Sub-Fund is to enable shareholders to benefit from the growth potential of the Japanese equity markets with an investment in equities based on fundamental and technical characteristics, as well as a proprietary analysis of ESG criteria, financial company fundamentals and risk metrics and to outperform the benchmark.
In line with the SICAV's overall sustainability objectives, the Sub-Fund aims to contribute to reducing greenhouse gas emissions through specific targets as well as the integration of climate related indicators in equity securities analysis and aims to have long-term positive impact on environment and social domains. The Sub-Fund is intended for investors who are prepared to accept the risks of participating in equity market developments, together with the level of volatility generally associated therewith. The client must be aware of, understand and be able to bear the specific risks of the Sub-Fund listed below and defined in the Risk Factors section of the Prospectus.

### 2. Investment policy

This Sub-Fund enables shareholders to invest in a portfolio consisting of minimum 75% of equities issued by companies having their registered office or carrying out their primary economic activity in Japan.

The remainder of the assets are invested in:

- eligible securities other than those described above (notably equities issued by companies having their registered office or carrying out their primary economic activity out of Japan);
- money market instruments;
- a maximum of 10% in UCI and UCITS; and
- deposits or cash.

The exposure to currencies other than Japanese Yen will in principle not exceed 10% of the net assets.

Securities/issuers are selected on the basis of an economic/financial analysis process as well as on ESG considerations, both indicative of risks and long-term opportunities.

The investment process consists of two steps. Firstly, the eligible ESG universe is defined using Candriam's ESG proprietary analysis. Secondly, based on this universe, a portfolio is constructed taking into account several dimensions such as financial company fundamentals, ESG factors and risk metrics (liquidity, volatility, correlation etc.) using a quantitative investment framework. This framework enables the portfolio management team to compute expected returns and risks using mathematical models based on financial company fundamentals, ESG factors and risk metrics and to construct a portfolio taking into account these expected returns and risks as well as other criteria.

The ESG aspects are analysed through a methodology developed by the Management Company and detailed under the section *Investment Objectives* in the Core part of this Prospectus.

The results of the ESG analysis, described above, allow Candriam to reduce the investments in risky companies and select companies bringing a positive contribution to addressing global sustainability challenges of sustainable development.

The ESG analysis covers the entire portfolio of the Sub-Fund, excluding deposits, cash and index derivatives.

On the basis of the ESG analysis and selection steps listed the section *Investment Objectives* (ESG analysis, violations of the United Nations Global Compact, exclusion of controversial activities), the Sub-Fund's analysed investment universe is reduced by at least 20%, by removing from the analysed investment universe in first instance issuers presenting significant ESG-related risks.

**Implementation of the SICAV's sustainable objectives**

The Sub-Fund aims to achieve a carbon footprint that is at least 30% lower than carbon footprint of the Benchmark. For the scope taken into account as well as the methodology relating to the carbon footprint, please refer to the Transparency Code on Candriam's website, see link under section *Investment Objectives* of the Prospectus.

The aim to have long-term positive impact on environment and social domains is currently assessed by the calculation of an ESG score which results from Candriam's proprietary ESG analysis.
To fulfil this sustainable objective, the Sub-Fund's weighted average ESG score aims to be higher than the weighted average ESG score of the Benchmark.

**Engagement and vote**

The analysis and selection process is also accompanied by active stewardship, in particular through dialogue with the companies and, as a shareholder, through voting at general meetings.

**Use of derivatives**

The Sub-Fund may also use derivative financial instruments on the regulated and/or over-the-counter market (notably via foreign exchange transactions, options or futures) for the purpose of hedging and/or exposure. The underlyings of these derivative financial instruments can be currencies, equities, equityindices or volatility.

**Other ESG aspects**

At the date of the Prospectus, the Sub-Fund has not filed for the French SRI Label.

**For further information on the ESG analysis please refer to the Transparency Code on Candriam's website, see link under section *Investment Objectives* of the Prospectus.**

**3. Efficient portfolio management techniques**

The sub-fund will conclude reverse repurchase transactions for an expected proportion that may vary between 0% and 25 % of the net assets and which may reach a maximum of 50% of the net assets under specific market conditions.
**The sub-fund will use reverse repurchase agreements, especially if market conditions justify it and only if an investment of cash through such an operation is justified**.

The sub-fund will conclude repurchase transactions for an expected proportion that may vary between 0% and 10% of the net assets and which may reach a maximum of 10% of the net assets.
**In any case, these transactions will be justified by temporary liquidity needs**.

## 4. Benchmark

The Sub-Fund is actively managed and the investment approach implies a reference to a benchmark.
The selected benchmark does not explicitly take into account sustainability objectives.
There is no EU reference index on Climate Transition or no index aligned with the Paris Agreement or any other sustainable benchmark that takes full account of the sustainability objectives and the investment strategy as described in the present Prospectus.

| | |
|---|---|
| **Benchmark name** | MSCI Japan (Net Return) |
| **Benchmark definition** | The index measures the performance of the large and mid-capitalization equity segment in Japan. |
| **Use of the benchmark** | ▪ as investment universe. In general, the majority of the Sub-Fund's financial instruments are part of the benchmark. This said, investments outside this benchmark are admitted.<br>▪ in the determination of risk levels / parameters<br>▪ for performance comparison. |
| **Deviation level of the portfolio composition from the benchmark** | The Sub-Fund being managed actively, its objective is not to invest in all constituents of the benchmark, nor to invest to the same extent in the constituents of the benchmark. Under normal market conditions, the tracking error of the Sub-Fund will be moderate to important, this is comprised between 2% and 6%.<br><br>This measure is an estimation of the deviation of the Sub-Fund's performance compared to the performance of the benchmark. The more the tracking error is important, the more deviations compared to the benchmark are important. The effective tracking error depends notably on the market conditions (volatility and correlations between financial instruments) and can deviate from the expected tracking error. |
| **Benchmark provider** | MSCI Limited |
| | This benchmark is provided by MSCI Limited which is, since Brexit, an entity benefiting from the transitional provision of article 51, §5 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014. |
| | The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company. |

## 5. Eligibility of the Sub-Fund

The Sub-Fund qualifies as a *GITA Equity Fund* as defined in the *Taxation* Chapter of the Prospectus.

## 6. Risk factors specific to the Sub-Fund and risk management

### 6.1 Risk factors specific to the Sub-Fund

- Risk of loss of capital
- Equity risk
- Model risk
- ESG investment risk
- Concentration risk
- Derivatives risk
- Liquidity risk
- Counterparty risk
- Risk of changes made to the reference index by the index provider
- Risk associated with external factors
- Share class hedging risk
- Sustainability risk

The general explanation of the various risk factors is given in the clause titled “Risk factors” in the Prospectus.

### 6.2 Risk Management

The total derivatives commitment will be calculated according to the commitment approach set down in CSSF circular 11/512.

## 7. **Base currency**: JPY.

## 8. **Form of the shares**: registered shares only

## 9. Share Classes

- **C**, capitalization shares, denominated in **JPY** [LU1434526460]
- **C**, distribution shares, denominated in **JPY** [LU1434526544]

- **I**, capitalization shares, denominated in **JPY** [LU1434526627]

- **N**, capitalization shares, denominated in **JPY** [LU2027379861]

- **R**, capitalization shares, denominated in **JPY** [LU1434526890]
- **R**, capitalization shares, denominated in **EUR** [LU1434526973]
- **R,** distribution shares, denominated in **JPY** [LU1720120192]
- **R-H,** capitalization shares, denominated in **EUR** [LU1797946917]
- **R-H,** distribution shares, denominated in **EUR** [LU1720120358]

- **R2,** capitalization shares, denominated in **JPY** [LU1720120515]
- **R2,** distribution shares, denominated in **JPY** [LU1720120788]

- **V**, capitalization shares, denominated in **JPY** [LU1434527195]
- **V-H**, capitalization shares, denominated in **EUR** [LU1480286993]

- **Z**, capitalization shares, denominated in **JPY** [LU1434527278]
- **Z**, distribution shares, denominated in **JPY** [LU1434527351]
- **Z,** capitalization shares, denominated in **EUR** [LU2421359899]
- **Z-H,** capitalization shares, denominated in **EUR** [LU2501585306]

## 10. Minimum initial subscription

There is no minimum initial subscription except for the **V** share class, for which the minimum initial subscription amount is EUR 15,000,000 or its equivalent in currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same Valuation Date.

## 11. Fees and charges

| **Shares** | **Fees and charges** | | | | |
|---|---|---|---|---|---|
| | **Subscription (for the benefit of selling agents)** | **Conversion (for the benefit of selling agents)** | **Exit** | **Portfolio Management (*)(**)** | **Operational and Administrative Charges** |
| **C** | **Max. 3.5%** | **Max. 2.5%** | **0%** | **Max. 1.50%** | **Max. 0.40%** |
| **I** | **0%** | **0%** | **0%** | **Max. 0.70%** | **Max. 0.30%** |
| **N** | **0%** | **0%** | **0%** | **Max. 2%** | **Max. 0.40%** |
| **R** | **Max. 3.5%** | **0%** | **0%** | **Max. 0.80%** | **Max. 0.40%** |
| **R2** | **Max. 3.5%** | **Max. 2.5%** | **0%** | **Max. 0.38%** | **Max. 0.40%** |
| **V** | **0%** | **0%** | **0%** | **Max. 0.42%** | **Max. 0.30%** |
| **Z** | **0%** | **0%** | **0%** | **0%** | **Max. 0.30%** |

*(*) The fees are expressed as an annual percentage of the average net asset value of the Share Class and are payable at the end of each month.*

*(**) 10% of the net management fees earned by Candriam are set aside to support sustainability initiatives, in accordance with the section "Candriam's commitment to support sustainability initiatives" described in the "Investment objectives" chapter of the Prospectus.*

## 12. Applicable cut-off times for the subscription, redemption and exchange of shares

| | |
|---|---|
| **D-1** | 12 noon (Luxembourg time) is the cut-off time. |
| **D** | Valuation Date |
| **D** | Calculation Date |
| **D+2** | Settlement date |

# CANDRIAM SUSTAINABLE

## Equity Quant Europe

## - Fact Sheet -

This Sub-Fund is classified under Art 9. of the SFDR Regulation, i.e. it pursues a sustainable investment objective.

### 1. Investment objectives and investor profile

The aim of the Sub-Fund is to enable shareholders, to benefit from the growth potential of the European equity markets with an investment in equities based on fundamental and technical characteristics, as well as proprietary analysis of ESG criteria, financial company fundamentals and risk metrics and to outperform the benchmark.

In line with the SICAV's overall sustainability objectives, the Sub-Fund aims to contribute to reducing greenhouse gas emissions through specific targets as well as the integration of climate related indicators in equity securities analysis and aims to have long-term positive impact on environment and social domains.
The Sub-Fund is intended for investors who are prepared to accept the risks of participating in equity market developments, together with the level of volatility generally associated therewith. The client must be aware of, understand and be able to bear the specific risks of the Sub-Fund listed below and defined in the Risk Factors section of the Prospectus.

### 2. Investment policy

This Sub-Fund enables shareholders to invest in a portfolio consisting of minimum 75% of equities issued by companies having their registered office or carrying out their primary economic activity in Europe.

The remainder of the assets are invested in:

- eligible securities other than those described above (notably equities issued by companies having their registered office or carrying out their primary economic activity out of Europe);
- money market instruments;
- a maximum of 10% in UCI and UCITS; and
- deposits or cash.

Securities/issuers are selected on the basis of an economic/financial analysis process as well as on ESG considerations, both indicative of risks and long-term opportunities.

The investment process consists of two steps.
Firstly, the eligible ESG universe is defined using Candriam's ESG proprietary analysis. Secondly, based on this universe, a portfolio is constructed taking into account several dimensions such as financial company fundamentals, ESG factors and risk metrics (liquidity, volatility, correlation etc.) using a quantitative investment framework. This framework enables the portfolio management team to compute expected returns and risks using mathematical models based on financial company fundamentals, ESG factors and risk metrics and to construct a portfolio taking into account these expected returns and risks as well as other criteria.

The ESG aspects are analysed through a methodology developed by the Management Company and detailed under the section *Investment Objectives* in the Core part of this Prospectus.

The results of the ESG analysis, described above, allow Candriam to reduce the investments in risky companies and select companies bringing a positive contribution to addressing global sustainability challenges of sustainable development.

The ESG analysis covers the entire portfolio of the Sub-Fund, excluding deposits, cash and index derivatives.

On the basis of the ESG analysis and selection steps (ESG analysis, violations of the United Nations Global Compact, exclusion of controversial activities) listed under the section *Investment Objectives*, the Sub-Fund's analysed investment universe is reduced by at least 20%, removing from the analysed investment universe in first instance issuers presenting significant ESG-related risks.

**Implementation of the SICAV's sustainable objectives**

The Sub-Fund aims to achieve a carbon footprint that is at least 30% lower than carbon footprint of the Benchmark. For the scope taken into account as well as the methodology relating to the carbon footprint, please refer to the Transparency Code on Candriam's website, see link under section *Investment Objectives* of the Prospectus.

The aim to have long-term positive impact on environment and social domains is currently assessed by the calculation of an ESG score which results from Candriam's proprietary ESG analysis.

To fulfil this sustainable objective, the Sub-Fund's weighted average ESG score aims to be higher than the weighted average ESG score of the Benchmark.

**Engagement and vote**

The analysis and selection process is also accompanied by active stewardship, in particular through dialogue with the companies and, as a shareholder, through voting at general meetings.

**Use of derivatives**

The Sub-Fund may also use derivative financial instruments on the regulated and/or over-the-counter market (notably via foreign exchange transactions, options or futures) for the purpose of hedging and/or exposure.
The underlyings of these derivative financial instruments can be currencies, equities, equity-indices or volatility.

**Other ESG aspects**

At the date of the Prospectus, the Sub-Fund has not filed for the French SRI Label.

**For further information on the ESG analysis please refer to the Transparency Code on Candriam's website, see link under section *Investment Objectives* of the Prospectus.**

### 3. Efficient portfolio management techniques

The sub-fund will conclude reverse repurchase transactions for an expected proportion that may vary between 0% and 25 % of the net assets and which may reach a maximum of 50% of the net assets under specific market conditions.
**The sub-fund will use reverse repurchase agreements, especially if market conditions justify it and only if an investment of cash through such an operation is justified**.

The sub-fund will conclude repurchase transactions for an expected proportion that may vary between 0% and 10% of the net assets and which may reach a maximum of 10% of the net assets.
**In any case, these transactions will be justified by temporary liquidity needs**.

### 4. Benchmark

The Sub-Fund is actively managed and the investment approach implies a reference to a benchmark.
The selected benchmark does not explicitly take into account sustainability objectives.
There is no EU reference index on Climate Transition or no index aligned with the Paris Agreement or any other sustainable benchmark that takes full account of the sustainability objectives and the investment strategy as described in the present Prospectus.

| | |
|---|---|
| **Benchmark name** | MSCI Europe (Net Return) |
| **Benchmark definition** | The index measures the performance of the large and mid-capitalization equity segment across developed markets in Europe. |
| **Use of the benchmark** | ▪ as investment universe. In general, the majority of the Sub-Fund's financial instruments are part of the benchmark. This said, investments outside this benchmark are admitted.<br>▪ in the determination of risk levels / parameters<br>▪ for performance comparison. |
| **Deviation level of the portfolio composition from the benchmark** | The Sub-Fund being managed actively, its objective is not to invest in all constituents of the benchmark, nor to invest to the same extent in the constituents of the benchmark. Under normal market conditions, the tracking error of the Sub-Fund will be moderate to important, this is comprised between 2% and 6%.<br><br>This measure is an estimation of the deviation of the Sub-Fund's performance compared to the performance of the benchmark. The more the tracking error is important, the more deviations compared to the benchmark are important. The effective tracking error depends notably on the market conditions (volatility and correlations between financial instruments) and can deviate from the expected tracking error. |
| **Benchmark provider** | MSCI Limited |
| | This benchmark is provided by MSCI Limited which is, since Brexit, an entity benefiting from the transitional provision of article 51, §5 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014. |

| | |
|---|---|
| | The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company. |

**5. Eligibility of the Sub-Fund**

The Sub-Fund qualifies as a GITA Equity Fund as defined in the Taxation Chapter of the Prospectus**.**

**6. Risk factors specific to the Sub-Fund and risk management**

**6.1 Risk factors specific to the Sub-Fund**

- Risk of loss of capital
- Equity risk
- Foreign exchange risk
- Model risk
- ESG investment risk
- Derivatives risk
- Liquidity risk
- Counterparty risk
- Risk of changes made to the reference index by the index provider
- Risk associated with external factors
- Sustainability risk

The general explanation of the various risk factors is given in the clause titled “Risk factors” in the Prospectus.

**6.2 Risk Management**

The total derivatives commitment will be calculated according to the commitment approach set down in CSSF circular 11/512.

**7. Base currency:** EUR

**8. Form of the shares: registered shares only.**

**9. Share Classes**

- **C**, capitalization shares, denominated in **EUR** [LU2378104066]
- **C**, distribution shares, denominated in **EUR** [LU2378104140]

- **I**, capitalization shares, denominated in **EUR** [LU2378104223]
- **I**, distribution shares, denominated in **EUR** [LU2378104496]
- **I**, capitalization shares, denominated in **GBP** [LU2378104579]

- **N**, capitalization shares, denominated in **EUR** [LU2378104652]

- **R**, capitalization shares, denominated in **EUR** [LU2378104736]

- **R**, capitalization shares, denominated in **GBP** [LU2378104819]

- **R2,** capitalization shares, denominated in **EUR** [LU2378104900]
- **R2,** distribution shares, denominated in **EUR** [LU2378105030]

- **V**, capitalization shares, denominated in **EUR** [LU2378105113]

- **Z**, capitalization shares, denominated in **EUR** [LU2378105204]
- **Z**, distribution shares, denominated in **EUR** [LU2378105386]

## 10. Minimum initial subscription

There is no minimum initial subscription except for the **V** share class, for which the minimum initial subscription amount is EUR 15,000,000 or its equivalent in other currencies. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same Valuation Date.

## 11. Fees and charges

| **Shares** | **Fees and charges** | | | | |
|---|---|---|---|---|---|
| | **Subscription (for the benefit of selling agents)** | **Conversion (for the benefit of selling agents)** | **Exit** | **Portfolio Management (*)(**)** | **Operational and Administrative Charges** |
| **C** | **Max. 3.5%** | **Max. 2.5%** | **0%** | **Max. 1.50%** | **Max. 0.40%** |
| **I** | **0%** | **0%** | **0%** | **Max. 0.70%** | **Max. 0.30%** |
| **N** | **0%** | **0%** | **0%** | **Max. 2%** | **Max. 0.40%** |
| **R** | **Max. 3.5%** | **0%** | **0%** | **Max. 0.80%** | **Max. 0.40%** |
| **R2** | **Max. 3.5%** | **Max. 2.5%** | **0%** | **Max. 0.38%** | **Max. 0.40%** |
| **V** | **0%** | **0%** | **0%** | **Max. 0.42%** | **Max. 0.30%** |
| **Z** | **0%** | **0%** | **0%** | **0%** | **Max. 0.30%** |

*(*) The fees are expressed as an annual percentage of the average net asset value of the Share Class and are payable at the end of each month.*

*(**) 10% of the net management fees earned by Candriam are set aside to support sustainability initiatives, in accordance with the section "Candriam's commitment to support sustainability initiatives" described in the "Investment objectives" chapter of the Prospectus.*

## 12. Applicable cut-off times for the subscription, redemption and exchange of shares

| | |
|---|---|
| **D** | 12 noon (Luxembourg time) is the cut-off time. |
| **D** | Valuation Date |
| **D +1** | Calculation Date |
| **D+3** | Settlement date |

# CANDRIAM SUSTAINABLE
# Equity US

## - Fact Sheet -

This Sub-Fund is classified under Art 9. of the SFDR Regulation, i.e. it pursues a sustainable investment objective.

### 1. Investment objectives and investor profile

The aim of the Sub-Fund is to enable shareholders to benefit from the growth potential of the United States of America equity markets with an investment in equities based on fundamental and technical characteristics, as well as proprietary analysis of ESG criteria, financial company fundamentals and risk metrics and to outperform the benchmark.

In line with the SICAV's overall sustainability objectives, the Sub-Fund aims to contribute to reducing greenhouse gas emissions through specific targets as well as the integration of climate related indicators in equity securities analysis and aims to have long-term positive impact on environment and social domains.

The Sub-Fund is intended for investors who are prepared to accept the risks of participating in equity market developments, together with the level of volatility generally associated therewith.

The client must be aware of, understand and be able to bear the specific risks of the Sub-Fund listed below and defined in the Risk Factors section of the Prospectus.

### 2. Investment policy

This Sub-Fund enables shareholders to invest in a portfolio consisting of minimum 90% of equities issued by companies having their registered office or carrying out their primary economic activity in the United States of America.

The remainder of the assets are invested in:

- eligible securities other than those described above (notably equities issued by companies having their registered office or carrying out their primary economic activity out of the United States of America);
- money market instruments;
- a maximum of 10% in UCI and UCITS; and
- deposits or cash.

Securities/issuers are selected on the basis of an economic/financial analysis process as well as on ESG considerations, both indicative of risks and long-term opportunities.

The investment process consists of two steps. Firstly, the eligible ESG universe is defined using Candriam's ESG proprietary analysis. Secondly, based on this universe, a portfolio is constructed taking into account several dimensions such as financial company fundamentals, ESG factors and risk metrics (liquidity, volatility, correlation etc.) using a quantitative investment framework. This framework enables the portfolio management team to compute expected returns and risks using mathematical models based on financial company fundamentals, ESG factors and risk metrics and to construct a portfolio taking into account these expected returns and risks as well as other criteria.

The ESG aspects are analysed through a methodology developed by the Management Company and detailed under the section *Investment Objectives* in the Core part of the Prospectus.

The results of the ESG analysis, described above, allow Candriam to reduce the investments in risky companies and select companies bringing a positive contribution to addressing global sustainability challenges of sustainable development.

The ESG analysis covers the entire portfolio of the Sub-Fund, excluding deposits, cash and index derivatives.

On the basis of the ESG analysis and selection steps listed in the section *Investment Objectives* (ESG analysis, violations of the United Nations Global Compact, exclusion of controversial activities), the Sub-Fund's analysed investment universe is reduced by at least 20%, by removing from the analysed investment universe in first instance issuers presenting significant ESG-related risks.

**Implementation of the SICAV's sustainable objectives**

The Sub-Fund aims to achieve a carbon footprint that is at least 30% lower than carbon footprint of the Benchmark. For the scope taken into account as well as the methodology relating to the carbon footprint, please refer to the Transparency Code on Candriam's website, see link under section *Investment Objectives* of the Prospectus.

The aim to have long-term positive impact on environment and social domains is currently assessed by the calculation of an ESG score which results from Candriam's proprietary ESG analysis.
To fulfil this sustainable objective, the Sub-Fund's weighted average ESG score aims to be higher than the weighted average ESG score of the Benchmark.

**Engagement and vote**

The analysis and selection process is also accompanied by active stewardship, in particular through dialogue with the companies and, as a shareholder, through voting at general meetings.

**Use of derivatives**

The Sub-Fund may also use derivative financial instruments such as options, futures and foreign exchange transactions both for investment and hedging purposes.

**Other ESG aspects**

At the date of the Prospectus, the Sub-Fund has not filed for the French SRI Label.

**For further information on the ESG analysis please refer to the Transparency Code on Candriam's website, see link under section *Investment Objectives* of the Prospectus.**

**3. Efficient portfolio management techniques**

The sub-fund will conclude reverse repurchase transactions for an expected proportion that may vary between 0% and 25 % of the net assets and which may reach a maximum of 50% of the net assets under specific market conditions.
**The sub-fund will use reverse repurchase agreements, especially if market conditions justify it and only if an investment of cash through such an operation is justified**.

The sub-fund will conclude repurchase transactions for an expected proportion that may vary between 0% and 10% of the net assets and which may reach a maximum of 10% of the net assets.
**In any case, these transactions will be justified by temporary liquidity needs**.

## 4. Benchmark

The Sub-Fund is actively managed and the investment approach implies a reference to a benchmark.
The selected benchmark does not explicitly take into account sustainability objectives.
There is no EU reference index on Climate Transition or no index aligned with the Paris Agreement or any other sustainable benchmark that takes full account of the sustainability objectives and the investment strategy as described in the present Prospectus.

| | |
|---|---|
| **Benchmark name** | S&P 500 Net Return |
| **Benchmark definition** | The index measures the performance of the large capitalization equity segment of the U.S. market and is composed of 500 companies. |
| **Use of the benchmark** | ▪ as investment universe. In general, the majority of the Sub-Fund's financial instruments are part of the benchmark. This said, investments outside this benchmark are admitted.<br>▪ in the determination of risk levels / parameters<br>▪ for performance comparison. |
| **Deviation level of the portfolio composition from the benchmark** | The Sub-Fund being managed actively, its objective is not to invest in all constituents of the benchmark, nor to invest to the same extent in the constituents of the benchmark. Under normal market conditions, the tracking error of the Sub-Fund will be moderate to important, this is comprised between 2% and 6%.<br><br>This measure is an estimation of the deviation of the Sub-Fund's performance compared to the performance of the benchmark. The more the tracking error is important, the more deviations compared to the benchmark are important. The effective tracking error depends notably on the market conditions (volatility and correlations between financial instruments) and can deviate from the expected tracking error. |
| **Benchmark provider** | S&P Dow Jones Indices LLC |
| | This benchmark is provided by an entity authorised with the ESMA in accordance with article 36 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014. |
| | The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company. |

## 5. Eligibility of the Sub-Fund

The Sub-Fund qualifies as a *GITA Equity Fund* as defined in the *Taxation* Chapter of the Prospectus.

## 6. Risk factors specific to the Sub-Fund and risk management

### 6.1 Risk factors specific to the Sub-Fund

- Risk of loss of capital
- Equity risk
- Model risk
- ESG investment risk
- Foreign exchange risk
- Liquidity risk
- Concentration risk
- Derivatives risk
- Counterparty risk
- Risk of changes made to the reference index by the index provider
- Risk associated with external factors
- Share class hedging risk
- Sustainability risk

The general explanation of the various risk factors is given in the clause titled "Risk factors" in the Prospectus.

### 6.2 Risk Management

The total derivatives commitment will be calculated according to the commitment approach set down in CSSF circular 11/512.

## 7. Base currency: USD

## 8. Form of the shares: registered shares only

## 9. Share Classes

- **BF**, capitalization shares, denominated in **USD** [LU2227860025]
- **BF**, distribution shares, denominated in **USD** [LU2227860298]
- **BF**, capitalization shares, denominated in **EUR** [LU2227860371]
- **BF**, distribution shares, denominated in **EUR** [LU2227860454]

- **C**, capitalization shares, denominated in **USD** [LU2227857070]
- **C**, distribution shares, denominated in **USD** [LU2227857153]
- **C**, capitalization shares, denominated in **EUR** [LU2227857237]
- **C-H**, capitalization shares, denominated in **EUR** [LU2227857310]

- **I**, capitalization shares, denominated in **USD** [LU2227857401]
- **I**, distribution shares, denominated in **USD** [LU2227857583]
- **I**, capitalization shares, denominated in **EUR** [LU2227857666]
- **I-H**, capitalization shares, denominated in **EUR** [LU2227857740]
- **I**, capitalization shares, denominated in **GBP** [LU2227857823]
- **I-H**, capitalization shares, denominated in **CHF** [LU2227858045]

- **R**, capitalization shares, denominated in **USD** [LU2227858128]
- **R**, distribution shares, denominated in **USD** [LU2227858391]
- **R**, capitalization shares, denominated in **EUR** [LU2227858474]
- **R-H**, capitalization shares, denominated in **EUR** [LU2227858557]
- **R-H**, distribution shares, denominated in **EUR** [LU2227858631]
- **R-H**, capitalization shares, denominated in **CHF** [LU2227858714]
- **R**, capitalization shares, denominated in **GBP** [LU2227858805]

- **R2,** capitalization shares, denominated in **USD** [LU2227858987]
- **R2,** distribution shares, denominated in **USD** [LU2227859019]
- **R2,** capitalization shares, denominated in **EUR** [LU2227859100]

- **S,** capitalization shares, denominated in **USD** [LU2227859282]

- **V**, capitalization shares, denominated in **USD** [LU2227859365]
- **V-H**, capitalization shares, denominated in **EUR** [LU2227859449]

- **Z**, capitalization shares, denominated in **USD** [LU2227859522]
- **Z**, distribution shares, denominated in **USD** [LU2227859795]
- **Z**, capitalization shares, denominated in **EUR** [LU2227859951]
- **Z-H**, capitalization shares, denominated in **EUR** [LU2227859878]

## 10. Minimum initial subscription

There is no minimum initial subscription except for:

- The **S** share class, for which the minimum initial subscription amount is the equivalent of EUR 25,000,000 in USD or its equivalent in currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same Valuation Date.
- the **V** share class, for which the minimum initial subscription amount is the equivalent of EUR 15,000,000 in USD or its equivalent in currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same Valuation Date.

## 11. Fees and charges

| **Shares** | **Fees and charges** | | | | |
|---|---|---|---|---|---|
| | **Subscription (for the benefit of selling agents)** | **Conversion (for the benefit of selling agents)** | **Exit** | **Portfolio Management (*)(**)** | **Operational and Administrative Charges** |
| **BF** | **0%** | **0%** | **0%** | **Max. 0.30%** | **Max. 0.30%** |
| **C** | **Max. 3.5%** | **Max. 2.5%** | **0%** | **Max. 1.50%** | **Max. 0.40%** |
| **I** | **0%** | **0%** | **0%** | **Max. 0.70%** | **Max. 0.30%** |
| **R** | **Max. 3.5%** | **0%** | **0%** | **Max. 0.80%** | **Max. 0.40%** |
| **R2** | **Max. 3.5%** | **Max. 2.5%** | **0%** | **Max. 0.38%** | **Max. 0.40%** |
| **S** | **0%** | **0%** | **0%** | **Max. 0.75%** | **Max. 0.30%** |
| **V** | **0%** | **0%** | **0%** | **Max. 0.42%** | **Max. 0.30%** |
| **Z** | **0%** | **0%** | **0%** | **0%** | **Max. 0.30%** |

*(*) The fees are expressed as an annual percentage of the average net asset value of the Share Class and are payable at the end of each month.*

*(**) 10% of the net management fees earned by Candriam are set aside to support sustainability initiatives, in accordance with the section "Candriam's commitment to support sustainability initiatives" described in the "Investment objectives" chapter of the Prospectus.*

## 12. Applicable cut-off times for the subscription, redemption and exchange of shares

| | |
|---|---|
| **D** | 12 noon (Luxembourg time) is the cut-off time. |
| **D** | Valuation Date |
| **D+1** | Calculation Date |
| **D+3** | Settlement date |

This Fact Sheet forms an integral part of the Prospectus dated 1st December 2022

# CANDRIAM SUSTAINABLE
# Equity World

## - Fact Sheet -

This Sub-Fund is classified under Art 9. of the SFDR Regulation, i.e. it pursues a sustainable investment objective.

### 1. Investment objectives and investor profile

The aim of the Sub-Fund is to enable shareholders to benefit from the growth potential of the global equity markets with an investment in equities based on fundamental and technical characteristics, as well as proprietary analysis of ESG criteria, financial company fundamentals and risk metrics and to outperform the benchmark.

In line with the SICAV's overall sustainability objectives, the Sub-Fund aims to contribute to reducing greenhouse gas emissions through specific targets as well as the integration of climate related indicators in equity securities analysis and aims to have long-term positive impact on environment and social domains.

The Sub-Fund is intended for investors who are prepared to accept the risks of participating in international equity markets, together with the level of volatility generally associated therewith.
The client must be aware of, understand and be able to bear the specific risks of the Sub-Fund listed below and defined in the Risk Factors section of the Prospectus.

### 2. Investment policy

This Sub-Fund enables shareholders to invest in a portfolio consisting of minimum 75% of equities issued by companies having their registered office or carrying out their primary economic activity worldwide.

The remainder of the assets are invested in:

- eligible securities other than those described above (notably equities issued by companies having their registered office or carrying out their primary economic activity worldwide);
- money market instruments;
- a maximum of 10% in UCI and UCITS; and
- deposits or cash.

Securities/issuers are selected on the basis of an economic/financial analysis process as well as on ESG considerations, both indicative of risks and long-term opportunities.

The investment process consists of two steps. Firstly, the eligible ESG universe is defined using Candriam's ESG proprietary analysis. Secondly, based on this universe, a portfolio is constructed taking into account several dimensions such as financial company fundamentals, ESG factors and risk metrics (liquidity, volatility, correlation etc.) using a quantitative investment framework. This framework enables the portfolio management team to compute expected returns and risks using mathematical models based on financial company fundamentals, ESG factors and risk metrics and to construct a portfolio taking into account these expected returns and risks as well as other criteria.

The ESG aspects are analysed through a methodology developed by the Management Company and detailed under the section *Investment Objective* in the Core part of this Prospectus.

The results of the ESG analysis, described above, allow Candriam to reduce the investments in risky companies and select companies bringing a positive contribution to addressing global sustainability challenges, such as climate change.

The ESG analysis covers the entire portfolio of the Sub-Fund, excluding deposits, cash and index derivatives.

On the basis of the ESG analysis and selection steps listed the section *Investment Objectives* (ESG analysis, violations of the United Nations Global Compact, exclusion of controversial activities), the Sub-Fund's analysed investment universe is reduced by at least 20%, by removing from the analysed investment universe in first instance issuers presenting significant ESG-related risks.

**Implementation of the SICAV's sustainable objectives**

The Sub-Fund aims to achieve a carbon footprint that is at least 30% lower than carbon footprint of the Benchmark. For the scope taken into account as well as the methodology relating to the carbon footprint, please refer to the Transparency Code on Candriam's website, see link under section *Investment Objectives* of the Prospectus.

The aim to have long-term positive impact on environment and social domains is currently assessed by the calculation of an ESG score which results from Candriam's proprietary ESG analysis.
To fulfil this sustainable objective, the Sub-Fund's weighted average ESG score aims to be higher than the weighted average ESG score of the Benchmark.

**Engagement and vote**

The analysis and selection process is also accompanied by active stewardship, in particular through dialogue with the companies and, as a shareholder, through voting at general meetings.

**Use of derivatives**

The Sub-Fund may also use derivative financial instruments such as options, futures and foreign exchange transactions both for investment and hedging purposes.

**For further information on the ESG analysis please refer to the Transparency Code on Candriam's website, see link under section *Investment Objectives* of the Prospectus.**

**3. Efficient portfolio management techniques**

The sub-fund will conclude reverse repurchase transactions for an expected proportion that may vary between 0% and 25 % of the net assets and which may reach a maximum of 50% of the net assets under specific market conditions.
**The sub-fund will use reverse repurchase agreements, especially if market conditions justify it and only if an investment of cash through such an operation is justified**.

The sub-fund will conclude repurchase transactions for an expected proportion that may vary between 0% and 10% of the net assets and which may reach a maximum of 10% of the net assets.
**In any case, these transactions will be justified by temporary liquidity needs**.

## 4. Benchmark

The Sub-Fund is actively managed and the investment approach implies a reference to a benchmark.
The selected benchmark does not explicitly take into account sustainability objectives.
There is no EU reference index on Climate Transition or no index aligned with the Paris Agreement or any other sustainable benchmark that takes full account of the sustainability objectives and the investment strategy as described in the present Prospectus

| | |
|---|---|
| **Benchmark name** | MSCI World (Net Return) |
| **Benchmark definition** | The index measures the performance of the large and mid-capitalization equity segment across developed markets countries. |
| **Use of the benchmark** | ▪ as investment universe. In general, the majority of the Sub-Fund's financial instruments are part of the benchmark. This said, investments outside this benchmark are admitted.<br>▪ in the determination of risk levels / parameters<br>▪ for performance comparison. |
| **Deviation level of the portfolio composition from the benchmark** | The Sub-Fund being managed actively, its objective is not to invest in all constituents of the benchmark, nor to invest to the same extent in the constituents of the benchmark. Under normal market conditions, the tracking error of the Sub-Fund will be limited to moderate, this is comprised between 1% and 3.5%.<br><br>This measure is an estimation of the deviation of the Sub-Fund's performance compared to the performance of the benchmark. The more the tracking error is important, the more deviations compared to the benchmark are important. The effective tracking error depends notably on the market conditions (volatility and correlations between financial instruments) and can deviate from the expected tracking error. |
| **Benchmark provider** | MSCI Limited |
| | This benchmark is provided by MSCI Limited which is, since Brexit, an entity benefiting from the transitional provision of article 51, §5 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014. |
| | The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company. |

## 5. Eligibility of the Sub-Fund

The Sub-Fund qualifies as a *GITA Equity Fund* as defined in the *Taxation* Chapter of the Prospectus.

## 6. Risk factors specific to the Sub-Fund and risk management

### 6.1 Risk factors specific to the Sub-Fund

- Risk of loss of capital
- Equity risk
- Foreign exchange risk
- Model risk
- ESG investment risk
- Liquidity risk
- Derivatives risk
- Counterparty risk
- Risk of changes made to the reference index by the index provider
- Risk associated with external factors
- Share class hedging risk
- Sustainability risk

The general explanation of the various risk factors is given in the clause titled "Risk factors" in the Prospectus.

### 6.2 Risk Management

The total derivatives commitment will be calculated according to the commitment approach set down in CSSF circular 11/512.

7. **Base currency**: EUR.

8. **Form of the shares**: registered shares only.

## 9. Share Classes

- **C**, capitalization shares, denominated in **EUR** [LU1434527435]
- **C**, distribution shares, denominated in **EUR** [LU1434527518]
- **C**, capitalization shares, denominated in **USD** [LU2016899291]
- **C**, capitalization shares, denominated in **SEK** [LU1434527609]
- **C-H**, capitalization shares, denominated in **USD** [LU2016899374]
- **C-AH**, capitalization shares, denominated in **EUR** [LU2420561321]

- **I**, capitalization shares, denominated in **EUR** [LU1434527781]
- **I**, distribution shares, denominated in **EUR** [LU1434527864]
- **I**, capitalization shares, denominated in **GBP** [LU1434528086]

- **N**, capitalization shares, denominated in **EUR** [LU2027379945]

- **R**, capitalization shares, denominated in **EUR** [LU1434528169]
- **R**, capitalization shares, denominated in **GBP** [LU1434528243]
- **R**, capitalization shares, denominated in **CHF** [LU1434528326]
- **R,** distribution shares, denominated in **EUR** [LU1720120945]

- **R2,** capitalization shares, denominated in **EUR** [LU1720121166]
- **R2,** distribution shares, denominated in **EUR** [LU1720121323]

- **V**, capitalization shares, denominated in **EUR** [LU1434528672]

- **Y**, capitalization shares, denominated in **EUR** [LU1434528755]

- **Z**, capitalization shares, denominated in **EUR** [LU1434528839]
- **Z**, distribution shares, denominated in **EUR** [LU1434528912]

## 10. Minimum initial subscription

There is no minimum initial subscription except for the **V** share class, for which the minimum initial subscription amount is EUR 15,000,000 or its equivalent in currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same Valuation Date.

## 11. Fees and charges

| Shares | Fees and charges | | | | | |
|---|---|---|---|---|---|---|
| | **Subscription (for the benefit of selling agents)** | **Conversion (for the benefit of selling agents)** | **Exit** | **Portfolio Management (*) (**)** | **Operational and Administrative Charges** | **Distribution** |
| **C** | **Max. 3.5%** | **Max. 2.5%** | **0%** | **Max. 1.50%** | **Max. 0.40%** | **n/a** |
| **I** | **0%** | **0%** | **0%** | **Max. 0.70%** | **Max. 0.30%** | **n/a** |
| **N** | **0%** | **0%** | **0%** | **Max. 2%** | **Max. 0.40%** | **n/a** |
| **R** | **Max. 3.5%** | **0%** | **0%** | **Max. 0.80%** | **Max. 0.40%** | **n/a** |
| **R2** | **Max. 3.5%** | **Max. 2.5%** | **0%** | **Max. 0.38%** | **Max. 0.40%** | **n/a** |
| **V** | **0%** | **0%** | **0%** | **Max. 0.42%** | **Max. 0.30%** | **n/a** |
| **Y** | **0%** | **0%** | **0%** | **Max. 0.60%** | **Max. 0.30%** | **1,38% (***)** |
| **Z** | **0%** | **0%** | **0%** | **0%** | **Max. 0.30%** | **n/a** |

*(*) The fees are expressed as an annual percentage of the average net asset value of the Share Class and are payable at the end of each month*

*(**) 10% of the net management fees earned by Candriam are set aside to support sustainability initiatives, in accordance with the section "Candriam's commitment to support sustainability initiatives" described in the "Investment objectives" chapter of the Prospectus.*

*.(***) The fees are expressed as an annual percentage of the average net asset value of the Share Class, proportionate to the net assets brought by the Distributor in the Share Class, payable by the SICAV at the end of each quarter.*

## 12. Applicable cut-off times for the subscription, redemption and exchange of shares

| | |
|---|---|
| D | 12 noon (Luxembourg time) is the cut-off time. |
| D | Valuation Date |
| D +1 | Calculation Date |
| D+3 | Settlement date |

# CANDRIAM SUSTAINABLE

## Money Market Euro

## - Fact Sheet -

**This Sub-Fund is authorized as a Standard VNAV MMF pursuant to the MMFR.**

This Sub-Fund is classified under Art 9. of the SFDR Regulation, i.e. it pursues a sustainable investment objective.

### 1. Investment objectives and investor profile

The Sub-Fund has distinct or cumulative objectives offering returns in line with money market rates or preserving the value of the investment. The aim of the Sub-Fund is to enable shareholders to manage their cash flow in the short-term and so to enable them to benefit from a moderate return while investing, in the currency of the Sub-Fund, with minimal risks and to outperform the benchmark. The selection is based on the securities characteristics, growth prospects and proprietary analysis of ESG criteria.

In line with the SICAV's overall sustainability objectives, the Sub-Fund aims to contribute to reducing greenhouse gas emissions through specific targets as well as the integration of climate related indicators in issuer and securities analysis and aims to have long-term positive impact on environment and social domains.

The Sub-Fund is intended for investors who seek to manage their cash flow in the short term with minimal risks.
The client must be aware of, understand and be able to bear the specific risks of the Sub-Fund listed below and defined in the Risk Factors section of the Prospectus.

### 2. Investment policy

The assets are principally invested in:

- Money Market Instruments (including bonds),
- deposits.

The Money Market Instruments (including bonds) used will be issued principally by good-quality issuers or guaranteed by good-quality guarantors (minimum rating A2/P2 or equivalent by one of rating agencies). The issuer of the money market instrument and the quality of the money market instrument have received a favourable assessment following application of the Management Company's Internal Credit Quality Assessment Procedure and will meet sustainable investment criteria.

Money Market Funds are allowed to invest in money market instruments with a residual maturity until the legal redemption date of 2 years or less, provided that the time remaining until the next interest rate reset date is 397 days or less. For that purpose, floating-rate Money Market Instruments and fixed-rate Money Market Instruments hedged by a swap arrangement are reset to a money market rate or index.

The investments will be denominated in EUR and in currencies of the member states of the OECD.
The Sub-Fund may invest a maximum of 10% of its assets in MMFs.

The duration (WAM), i.e. the sensitivity of funds to changes in interest rates, will not exceed 6 months and the weighted average life of funds (WAL) will not exceed 12 months. Determination of optimal interest rate and credit exposures ( WAM / WAL) are based on internal committee with careful management of interest rate risk and a rigorous credit selection

Exposures to currencies other than the EUR will be hedged against foreign exchange risk.

Securities/issuers are selected on the basis of an economic/financial analysis process as well as on ESG considerations, both indicative of risks and long-term opportunities.

The ESG aspects are analysed through a methodology developed by the Management Company and detailed under the section *Investment Objectives* in the Core part of this Prospectus.

The results of the ESG analysis are integrated into the financial management of the portfolio. This analysis aims to better enable managers to identify the risks, but also the opportunities, arising from the major challenges of sustainable development.

The ESG analysis covers the entire portfolio of the Sub-Fund, excluding deposits, cash and index derivatives.

**Implementation of the SICAV's sustainable objectives**

For Corporate Issuers:

The Sub-Fund's aims to have a carbon footprint below a determined absolute threshold. This threshold has been set at around 30% lower than the investment universe and it can be reviewed depending on the evolution of the investment universe.

For the scope taken into account as well as the methodology relating to the carbon footprint, please refer to the Transparency Code on Candriam's website, see link under section *Investment Objectives* of the Prospectus.

On the basis of the ESG analysis and selection steps (ESG analysis, violations of the United Nations Global Compact, exclusion of controversial activities) listed under the section *Investment Objectives*, the Sub-Fund's analysed investment universe is reduced by at least 20%, by removing from the analysed investment universe in first instance issuers presenting significant ESG-related risks.

For Sovereign Issuers:

Candriam's ESG selection process retains countries which are well equipped to manage their human, natural and social capital in addition to economic capital, and which are not considered as highly oppressive regimes and/or are at risk from the perspective of terrorism financing and/or money laundering.

The aim to have long-term positive impact on environment and social domains is currently assessed by the calculation of an ESG score which results from Candriam's proprietary ESG analysis.
To fulfil this sustainable objective, the Sub-Fund's weighted average ESG score, including corporate and sovereign issuers, aims to be higher than 50 (on a scale from 0 to 100).

**Engagement and vote**

The analysis and selection process is also accompanied by active stewardship through dialogue with the companies.

**Use of derivatives**

The Sub-Fund may also use derivative financial instruments on the regulated or over-the-counter market for the purpose of hedging only.
The underlyings of these derivative financial instruments can be interest rates, foreign exchange rates, currencies or indices representing one of those categories.

**Other ESG aspects**

At the date of the Prospectus, the Sub-Fund has not filed for the French SRI Label.

**For further information on the ESG analysis please refer to the Transparency Code on Candriam's website, see link under section *Investment Objectives* of the Prospectus.**

## 3. Benchmark

The Sub-Fund is actively managed and the investment approach implies a reference to a benchmark.
The selected benchmark does not explicitly take into account sustainability objectives.

| | |
|---|---|
| **Benchmark name** | €str |
| **Benchmark definition** | The euro short-term rate (€STR) reflects the wholesale euro unsecured overnight borrowing costs of banks located in the euro area. |
| **Use of the benchmark** | For performance comparison. |
| **Benchmark provider** | European Central Bank |
| | The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company. |

## 4. Repurchase and reverse repurchase transactions

The sub-fund will conclude reverse repurchase transactions for an expected proportion that may vary between 0% and 25 % of the net assets and which may reach a maximum of 50% of the net assets under specific market conditions.
**The sub-fund will use reverse repurchase agreements, especially if market conditions justify it and only if an investment of cash through such an operation is justified**.

The sub-fund will conclude repurchase transactions for an expected proportion that may vary between 0% and 10% of the net assets and which may reach a maximum of 10% of the net assets.
**In any case, these transactions will be justified by temporary liquidity needs**.

## 5. Risk factors specific to the Sub-Fund and risk management

### 5.1 Risk factors specific to the Sub-Fund

- ESG investment risk
- Credit risk
- Counterparty risk
- Risk of loss of capital

- Interest rate risk
- Liquidity risk
- Derivatives risk
- Risk of changes made to the reference index by the index provider
- Risk associated with external factors
- Sustainability risk

The general explanation of the various risk factors is given in the clause titled “Risk factors” in the Prospectus.

**5.2 Risk Management**

The total derivatives commitment will be calculated according to the commitment approach set down in CSSF circular 11/512.

6. **Base currency**: EUR.

7. **Form of the shares**: registered shares only.

8. **Share Classes**

- **C**, capitalization shares, denominated in **EUR** [LU1434529050]
- **C**, distribution shares, denominated in **EUR** [LU1434529134]

- **I**, capitalization shares, denominated in **EUR** [LU1434529217]
- **I**, distribution shares, denominated in **EUR** [LU1434529308]

- **R2,** capitalization shares, denominated in **EUR** [LU1434529480]
- **R2,** distribution shares, denominated in **EUR** [LU1434529563]

- **V**, capitalization shares, denominated in **EUR** [LU1434529647]
- **V**, distribution shares, denominated in **EUR** [LU1434529720]

- **Z**, capitalization shares, denominated in **EUR** [LU1434529993]
- **Z**, distribution shares, denominated in **EUR** [LU1434530066]

9. **Minimum initial subscription**

There is no minimum initial subscription except for the V share class, for which the minimum initial subscription amount is EUR 15,000,000 or its equivalent in currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same Valuation Date.

## 10. Fees and charges

| Shares | Fees and charges | | | | |
|---|---|---|---|---|---|
| | Subscription (for the benefit of selling agents) | Conversion (for the benefit of selling agents) | Exit | Portfolio Management (*)(**) | Operational and Administrative Charges |
| C | 0% | Max. 2.5% | 0% | Max. 0.30% | Max. 0.30% |
| I | 0% | 0% | 0% | Max. 0.15% | Max. 0.17% |
| R2 | 0% | Max. 2.5% | 0% | Max. 0.08% | Max. 0.30% |
| V | 0% | 0% | 0% | Max. 0.06% | Max. 0.17% |
| Z | 0% | 0% | 0% | 0% | Max. 0.17% |

*(*) The fees are expressed as an annual percentage of the average net asset value of the Share Class and are payable at the end of each month.*

*(**) 10% of the net management fees earned by Candriam are set aside to support sustainability initiatives, in accordance with the section "Candriam's commitment to support sustainability initiatives" described in the "Investment objectives" chapter of the Prospectus.*

## 11. Applicable cut-off times for the subscription, redemption and exchange of shares

| | |
|---|---|
| **D** | 12 noon (Luxembourg time) is the cut-off time. |
| **D** | Valuation Date |
| **D +1** | Calculation Date |
| **D+2** | Settlement date |