

# Candriam Money Market

Société d'Investissement à Capital Variable  
Luxembourg

## Prospectus for the distribution of the shares in Switzerland

Subscriptions may only be accepted if made on the basis of this prospectus (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 form an integral part of the Prospectus.

## 14 July 2025

*This Prospectus may be translated into other languages. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in any translation, the French text shall prevail.*



# INTRODUCTION

Candriam Money Market and all its sub-funds qualify as Money Market Funds (as defined below) and have been approved by the CSSF (as defined below) in accordance with the MMF Regulation (as defined below) and to this end (hereinafter the "SICAV" or the "Fund") are registered on the official list of UCIs (as defined below) as Money Market Funds in accordance with the Law of 2010 (as defined below). Such registration may not be interpreted as a positive appraisal by the supervisory authority as to the content of the Prospectus or the quality of the securities offered or held by the SICAV. Any affirmation to the contrary is unauthorised and illegal.

This Prospectus may not 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 authorised.

Shares in this SICAV are not and will not be registered in the United States in accordance with the U.S. Securities Act of 1933, as amended ("1933 Securities Act") and are not and will not be eligible under any law of the United States. These shares may not be offered, sold or transferred to the United States (including its territories and possessions) or directly or indirectly benefit any U.S. Person (as defined in Regulation S of the 1933 Securities Act and Rule 4.7. of the 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.

Subscribers to shares in this SICAV may be required to certify in writing that they are not U.S. Persons. Unitholders are required to notify the Management Company immediately in the event that they become U.S. Persons and are required to dispose of their units to non-U.S. Persons. The SICAV reserves the right to redeem any share that is or becomes the direct or indirect property of a U.S. Person or any holding of units by any person which is illegal or detrimental to the interests of the SICAV.

In addition, financial institutions which do not comply with the FATCA programme (FATCA stands for the U.S. 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 programme 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 to shares in the SICAV may be required to certify in writing that they are not U.S. benefit plan investors. Shareholders are required to notify the SICAV immediately in the event that they are or become U.S. benefit plan investors and will be required to dispose of their shares to non-U.S. benefit plan investors. The SICAV reserves the right to redeem 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 with a limited number of U.S. benefit plan investors, to the extent permitted under applicable U.S. law.

The SICAV meets the conditions set down in part I of the Law of 2010 and in Directive 2009/65/EC, as amended (as defined below).



The Board of Directors of the SICAV is liable for the accuracy of the information contained in the Prospectus on the date of its publication. No person has been authorised to provide any information other than that contained in the Prospectus or the documents referred to herein, which may be consulted by the general public.

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

Subscribers and potential purchasers of shares of the SICAV are advised to obtain information about 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 that could have an influence on the subscription, purchase, ownership or sale of the shares of the SICAV.

The SICAV reminds investors that investors may fully exercise their investors' rights directly vis-à-vis the SICAV, in particular the right to attend general meetings of shareholders, only if they are registered in their own names in the register of shareholders of the SICAV. In the event that an investor invests in the SICAV through an intermediary investing in the SICAV in its name but on behalf of the investor, some shareholder rights may not necessarily be exercisable by the investor directly vis-à-vis the SICAV. Investors are advised to seek information regarding their rights.

An investment in the SICAV and its sub-funds is not a guaranteed investment. An investment in a fund is different from an investment in deposits and the investment capital is likely to fluctuate. The sub-funds do not rely on external support to guarantee their liquidity or to stabilise their net asset value per share. The shareholder bears the risk of loss of the invested capital.



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## GLOSSARY

Articles of Incorporation	The Articles of Incorporation of the SICAV and subsequent amendments.	
Carbon footprint	<p>A company's carbon emissions are expressed as the carbon dioxide equivalent in tonnes (tCO<sub>2</sub>-eq), which combines the various greenhouse gas (GHG) emissions into a single measure. For any quantity and type of greenhouse gas, the CO<sub>2</sub> equivalent signifies the quantity of CO<sub>2</sub> that would have an equivalent impact on global warming. The carbon footprint measures the GHG emissions weighted by the assets in a portfolio, normalised by million euros invested (expressed as tCO<sub>2</sub>-eq /million euros invested). This measure can be used for benchmarking and comparison purposes. The carbon footprint may be calculated using another appropriate currency.</p> <p>The data used for the calculations may originate from data providers outside Candriam. The carbon footprint calculation does not take account of all the emissions of companies because certain indirect emissions are difficult to measure or are not covered by the available data.</p>	
Class	A class of shares in a sub-fund of the SICAV.	
CSSF	Commission de Surveillance du Secteur Financier – the regulator and prudential supervisory authority of the SICAV in the Grand Duchy of Luxembourg.	
Delegated Regulation 2015/61	Regulation (EU)	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.
Directive 78/660/EEC	Fourth Council Directive of 25 July 1978 based on Article 54 (3) (g) of the Treaty on the annual accounts of certain types of companies.	
Directive 2004/39/EC	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 2005/60/EC	Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing.	
Directive 2009/65/EC	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	Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements 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.	



ESG	Refers to environmental, social and governance criteria.
ESG score	<p>The ESG score is a measure of the result of the internal ESG analysis performed by Candriam on the basis of its proprietary analysis. The score is calculated for companies or states, and can be used to calculate an ESG score for the portfolios by adding together the scores of the portfolio securities according to their weighting in the sub-fund's assets.</p> <p>For companies, Candriam's proprietary analysis includes an analysis of the activities and management of the essential stakeholders of companies.</p> <p>For countries, it includes the 4 fundamental sustainability dimensions: human capital, natural capital, social capital and economic capital.</p> <p>The score ranges from 0 (less good score) to 100 (top score).</p>
EUR	The euro – the currency of the countries that are part of the European Monetary Union.
Fact Sheet	The fact sheet of a sub-fund of the SICAV detailing the characteristics of each sub-fund.
Fund	Candriam Money Market
G20	Group of 20 consisting of 19 countries and the European Union.
Internal Credit Quality Assessment Procedure	The Management Company's internal credit quality assessment procedure meeting the requirements of Articles 19 to 23 of the MMF Regulation and described in point 3.2.3 of the section entitled <i>Management and administration</i> in the Prospectus.
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 European Union, within the limits defined by this Agreement and the associated instruments,
MMF Regulation	Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds.
Money Market Fund	A UCI or a sub-fund of a UCI qualifying as a money market fund in accordance with the MMF Regulation.
Money Market Instruments	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.
OECD	Organisation for Economic Co-operation and Development.
Regulation 575/2013	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 2017/2402	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 (EU) 2019/2088 or the SFDR Regulation	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.
Short-term Money Market Fund	A Money Market Fund that invests in eligible money market instruments referred to in Article 10(1) of the MMF Regulation and is subject to the portfolio rules set out in Article 24 of the MMF Regulation.
SICAV	Candriam Money Market.
Standard Money Market Fund	A Money Market Fund that invests in eligible money market instruments referred to in Article 10(1) and (2) of the MMF Regulation and is subject to the portfolio rules set out in Article 25 of the MMF Regulation.
UCI	Undertaking for collective investment.
UCITS	Undertaking for collective investment in transferable securities.
USD	The US dollar – the currency of the United States of America.
VNAV	The "variable net asset value" is a net asset value which is unstable, which in principle fluctuates daily, which is calculated as laid down in Article 30 of the MMF Regulation, and which is rounded to the nearest basis point or its equivalent.
WAL	"Weighted average life", the average length of time to legal maturity of all of the underlying assets in the Money Market Fund, reflecting the relative holdings in each asset.
WAM	"Weighted average maturity", 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 Money Market Fund, reflecting the relative holdings in each asset.



## 1. Administration of the SICAV

### Board of Directors

#### Chairman

- **Mr Jean-Yves Maldague**  
Managing Director  
Candriam

#### Directors

- **Ms Annemarie Arens**  
Independent Director
- **Mr. Thierry Blondeau**  
Independent Director
- **Mr Tanguy de Villenfagne**  
Advisor to the Group Strategic Committee  
Candriam
- **Mr Damien Rol**  
Global Head of Legal  
Candriam
- **Ms Myriam Vanneste**  
Global Head of Product Range Management  
Candriam

### Registered Office

5, Allée Scheffer, L-2520 Luxembourg

### Depositary Bank 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

- **Naïm Abou-Jaoudé**  
Chairman and Chief Executive Officer  
New York Life Investment Management Holdings LLC  
New York Life Investment Management LLC



### Members

- **Mr Renato Guerriero**  
Deputy Chief Executive Officer - Global Development & Distribution  
Candriam
- **Mr Vincent Hamelink**  
Chief Executive Officer  
Candriam
- **Ms Shawna Hanley**  
Managing Director & Chief of Staff, MacKay Shields
- **Mr Francis M. Harte**  
Senior Managing Director, Chief Financial Officer & Treasurer  
New York Life Investment Management Holdings LLC  
Senior Vice President  
New York Life Insurance Company
- **Mr Alain Karaoglan**  
Executive Vice President and Head of the Strategic Businesses of  
New York Life Insurance Company
- **Ms Melissa Kuan**  
Managing Director and Head of Strategy & Business Development of  
New York Life Investment Management
- **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

### Management Committee

#### Chairman

- **Mr Jean-Yves Maldague,**  
Managing Director  
Candriam



Members

- **Ms Justine Barrielle**, Manager
- **Mr Olivier Corby**, Manager
- **Mr Fabrice Cuchet**, Manager
- **Ms. Nadège Dufosse**, Manager
- **Mr Nicolas Forest**, Manager
- **Mr Renato Guerriero**, Manager
- **Mr Vincent HAMELINK**, Manager

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 Brussels

**Candriam – Succursale française**

40 rue Washington  
F-75408 Paris Cedex 08

**Candriam – UK Establishment**

Aldersgate Street 200  
London EC1A 4HD

Administrative agent and domiciliary agent functions are assigned to:

**CACEIS Bank, Luxembourg Branch**

5, Allée Scheffer  
L-2520 Luxembourg

The Transfer Agent functions are delegated to:

**CACEIS Bank, Luxembourg Branch**

5, Allée Scheffer  
L-2520 Luxembourg

**Approved auditors**

**PricewaterhouseCoopers**

2, rue Gerhard Mercator  
BP 1443  
L –1014 Luxembourg



## 2. General description of the SICAV

Candriam Money Market is a société d'investissement à capital variable established in accordance with the legislation of the Grand Duchy of Luxembourg on UCIs and approved as a Money Market Fund in accordance with the MMF Regulation.

The SICAV, taking the name "BIL GLOBAL FUND", was established for an unlimited term on 16 November 1987 as a société d'investissement à capital variable (SICAV), in accordance with the legislation of the Grand Duchy of Luxembourg.

Its Articles of Incorporation were published in the Mémorial, dated 11 December 1987. They have been amended on several occasions, most recently on 1 July 2022; the corresponding amendments will be published in the Recueil Electronique des Sociétés et Associations. The coordinated Articles of Incorporation were filed with the Luxembourg Trade and Companies Registry.

The capital of the SICAV is at all times equal to the net asset value and is represented by fully paid-up shares of no par value. Capital changes occur ipso jure and do not need to be announced or registered with the Trade and Companies Registry in the same way as required for the capital increases or decreases of limited companies. Its minimum capital is EUR 1,250,000.

The SICAV is entered in the Companies' Register of and in Luxembourg under number B-26803.

The SICAV's registered office is in Luxembourg, Grand Duchy of Luxembourg.

The SICAV takes the form of an umbrella UCITS, which is made up of a number of sub-funds each representing a specific pool of assets and liabilities and each adhering to a specific investment policy.

The umbrella structure offers investors the benefit of being able to choose between different sub-funds and to move from one sub-fund to another. Within each sub-fund, the SICAV may issue shares of different Classes which differ in particular in terms of different fees and commissions or in terms of their distribution policy.

Currently, the following sub-funds are available to investors:

- Candriam Money Market Euro
- Candriam Money Market Euro AAA
- Candriam Money Market USD Sustainable

Each of the SICAV's sub-funds may, at the decision of the Board of Directors, consist of one single Class or be divided into several Classes, the assets of which will be commonly invested as per the investment policy specific to the sub-fund in question. Each Class will have a specific subscription and redemption fee structure, a specific cost structure, a specific distribution policy, a specific hedging policy, a different reference currency and other specific features.

In addition, each Class may apply a specific hedging policy as found in the sub-fund Fact Sheets, that is:

- **Hedging against fluctuations in the reference currency:** such hedging aims to reduce the effect of fluctuations in exchange rates between the reference currency of the sub-fund and the currency in which the Class is denominated. This type of hedging aims to achieve a reasonably comparable performance (adjusted in particular for the difference in interest rate between the two currencies) between the hedged Class and the equivalent



denominated in the reference currency of the sub-fund. This type of hedging is identified by the suffix **H** in the name of the Class.

- **Hedging against the foreign exchange exposure of the assets forming the portfolio:** such hedging aims to reduce the effect of fluctuations in exchange rates between the currencies in which the sub-fund's assets are held and the currency in which the Class is denominated. This type of hedging is identified by the suffix **AH** in the name of the Class.

The purpose of these two types of hedging is to reduce foreign exchange risk. Investors must be aware that the hedging of foreign exchange cannot be a total and permanent process and may not therefore fully neutralise the foreign exchange risk and so there may be differences in performance.

Any gains or losses that may arise from the hedging process are borne separately by the holders of these Classes.

The following Classes may be issued:

- **Classique** Class, which is available to individuals and legal entities.
- The **I** Class is reserved exclusively for institutional investors.
- The **PR** Class is reserved for individuals and legal entities invested via Belgian distributors/intermediaries approved by the Management Company. Access to the class is conditional upon an initial subscription amount of EUR 2,500,000. This minimum may be changed at the discretion of the Board of Directors, provided that equal treatment of shareholders is assured on the same valuation date.
- The **R** Class is reserved for financial intermediaries (including distributors and platforms) which:
  - Have different arrangements with their clients for the provision of investment services in connection with the sub-fund, and
  - As a result of their applicable laws and regulations or on the basis of agreements with their customers, are not entitled to accept and keep duties, fees and other monetary benefits from the Management Company in connection with the provision of the above-mentioned investment
- The **R2** Class is restricted to 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 in the Candriam Group, if the final investments in the shares are made in the context of a mandate.
- The **S** Class is available only to institutional investors specially approved by the Management Company, and has a minimum initial subscription of EUR 100,000,000. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on any given valuation date.
- The **V** Class is reserved exclusively for institutional investors whose minimum initial subscription is EUR 30,000,000. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same valuation date.



- The **VB** Class is reserved for Belgian-law UCIs approved by the Management Company.
- The **W** Class is reserved for individuals and legal entities invested via Belgian distributors/intermediaries approved by the Management Company. Access to the class is conditional upon an initial subscription amount of EUR 10,000,000. This minimum may be changed at the discretion of the Board of Directors, provided that equal treatment of shareholders is assured on the same valuation date.
- The **Z** Class is restricted to
  - 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 Classes are pooled within a single account.

Before subscribing, investors should check the Fact Sheets accompanying this Prospectus to find out in which Class and in what form shares are available for each sub-fund, as well as the applicable fees and other charges.

The Board of Directors may launch other sub-funds and other Classes, for which the investment policy and conditions of offer will be notified accordingly through the issue of an update to this Prospectus and through investor information in the press as deemed appropriate by the Board of Directors.

### 3. Management & Administration

#### 3.1. The Board of Directors

The Board of Directors of the SICAV defines the investment policy for each of the sub-funds. The Board of Directors of the SICAV is responsible for managing the assets of each of the sub-funds of the SICAV.

It may perform any management or administration duties on behalf of the SICAV, notably the purchase, sale, subscription or exchange of any transferable securities, and exercise any rights directly or indirectly attached to the assets of the SICAV.

The Board of Directors of the SICAV may appoint a management company.

A list of members of the Board of Directors is found in this Prospectus and in the interim 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 (hereinafter the "Management Company"), a partnership limited by shares, with its registered office at L-8009 Strassen, 19-21 route d'Arlon, SERENITY - Bloc B, is appointed as the Management Company to the SICAV in accordance with a contract entered into for an unlimited term between the SICAV and the Management Company. This agreement may be terminated by either party subject to advance written notice of 90 days.

Candriam (formerly Candriam Luxembourg) was established in Luxembourg on 10 July 1991. It commenced its management activities on 1 February 1999 and is a subsidiary of Candriam Group, a New York Life Insurance Company Group entity.

Candriam received approval as a Management Company within the meaning of chapter 15 of the Law of 2010, and is authorised to provide collective portfolio management, investment portfolio management and investment advisory services. Its articles of incorporation were amended for the last time on 17 June 2022 and the corresponding amendments were published in the Mémorial C (Recueil des Sociétés et Associations). A version of the coordinated articles of incorporation has been filed with the Luxembourg Trade and Companies Registry.

The list of entities managed by the Management Company is available upon request from the Management Company.

Candriam is entered in the Luxembourg Trade and Companies Registry under number B 37.647. It is established for an unlimited period. Its financial year ends on 31 December each year.

#### **3.3.1. Functions and responsibilities**

The Management Company has the most extensive powers to carry out any acts of management and administration of UCIs in pursuance of its company object. It is responsible for the portfolio management, administration (administrative agent, transfer agent and registrar) and marketing (distribution) activities of the SICAV.

In accordance with the Law of 2010, the Management Company is authorised to delegate its duties, powers and obligations in whole or in part to any person or company it deems fit, subject to the proviso that the Prospectus is updated beforehand. The Management Company, however, retains full responsibility for the actions of the delegate(s).

The various duties carried out by the Management Company or one of its delegates create entitlement to fees, as described in the Fact Sheets in the Prospectus.

Investors are invited to read the SICAV's annual reports to obtain detailed information on the fees paid to the Management Company or its delegates in remuneration of their services.

#### **3.3.1.1. Portfolio management**

The Board of Directors of the SICAV is responsible for the investment policy of the SICAV's various sub-funds and has appointed the Management Company to be responsible for implementing the investment policy of its various sub-funds.



The Management Company may, inter alia, exercise on behalf of the SICAV any voting rights attached to the transferable securities that make up the assets of the SICAV.

The Management Company performs portfolio management directly and/or through one or more of its branches.

### **3.3.1.2. Administrative agent, registrar, transfer agent and listing agent functions**

The central administration mainly consists of the following three functions in accordance with the provisions of CSSF circular 22/811:

- NAV calculation and accounting function ("Administrative Agent"),
- registrar function ("Transfer Agent"),
- customer communication function.

The Management Company will delegate the Administrative Agent and Transfer Agent of the SICAV to CACEIS Bank, Luxembourg Branch, under the terms of a central administration agreement entered into by the Management Company and CACEIS Bank, Luxembourg Branch ("Central Administration Agreement").

The customer communication function is performed by CACEIS Bank, Luxembourg Branch in collaboration with the Management Company where relevant, either directly and/or through one or more of its branches.

The Central Administration Agreement is concluded for an unlimited term and may be terminated by either party with three months' notice.

CACEIS Bank, Luxembourg Branch operates as the Luxembourg branch of CACEIS Bank, a société anonyme under French law whose registered office is at 89-91, rue Gabriel Peri, 92120 Montrouge, France, registered with the Trade and Companies Register of Nanterre under the 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 authorised 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 authorised to request the documents necessary in order to identify the investors.

In particular, the customer communication functions comprise the processing of confidential communication and correspondence involving confidential documents intended for the investors.



In order to perform its activities, CACEIS Bank, Luxembourg Branch may outsource IT and operational functions linked to its UCI management activities (for example concerning its role as registrar and transfer agent, shareholder activities and investor services) to other entities of the CACEIS Group located in Europe or in third countries, specifically the United Kingdom, Canada and Malaysia. In this context, CACEIS Bank, Luxembourg Branch may be required to transfer to the external service provider data concerning the investor, such as name, address, date and place of birth, nationality, country of residence, tax number, ID card number (for legal entities: company name, creation date, registered office, legal form, trade register entry number and/or tax registration number, and the persons linked to the legal entity such as investors, economic beneficiaries and representatives), etc. Luxembourg law requires CACEIS Bank, Luxembourg Branch to disclose to the SICAV certain information concerning the outsourced activities, which the SICAV will in turn communicate to the investors. The SICAV will communicate to the investors any important change to the information disclosed according to this paragraph before the change takes effect.

The list of countries in which the CACEIS Group performs its activities is available at the following website: [www.caceis.com](http://www.caceis.com). Please note that this list may change over time.

### **3.3.1.3. Marketing**

The marketing function consists in coordinating the marketing of the SICAV's shares through distributors and/or intermediaries designated by the Management Company (hereinafter "Distributors"). A list of Distributors can be obtained by investors free of charge from the Management Company's registered office.

Distributor or investment agreements may be entered into by the Management Company and the various Distributors.

Under these agreements, the Distributor, in its capacity as nominee, will be entered in the register of shareholders instead of the customers who have invested in the SICAV.

These agreements stipulate 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 upon receipt of the transfer instructions from the Distributor.

Shareholders may subscribe to 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 have the legal and regulatory status required to market the SICAV and must be situated in a country subject to obligations to combat money laundering and the financing of terrorism equivalent to those of Luxembourg law or Directive (EU) 2015/849.

### **3.3.2. Remuneration policy**

The Management Company has established a general framework concerning remuneration of its staff, in particular a remuneration policy (the "Remuneration Policy") in compliance with the applicable regulations and the following principles in particular:

The Remuneration Policy is compatible with sound and effective risk management including sustainability risks. It discourages any risk-taking that is inconsistent with the risk profile and the articles of incorporation of the SICAV. Candriam has designed policies aiming to promote responsible behaviour among personnel, taking account of sustainability-related impacts.



The Remuneration Policy is compatible with the financial strategy, objectives, values and interests of the Management Company, the SICAV and the investors, and includes measures to improve the way conflicts of interest are handled.

Candriam's remuneration structure is linked to a risk-adjusted performance. The evaluation of performance is set in a multi-year framework appropriate to the minimum holding period recommended to shareholders of the SICAV, in order to ensure that the performance evaluation process is based on the long term performance of the SICAV and that the effective payment of the performance-based remuneration elements is spread over the same period.

Candriam aims to ensure that the employees are not encouraged to take inappropriate and/or excessive risks (also concerning sustainability risks) which are incompatible with the risk profile of Candriam and, as applicable, of the funds managed". In addition, when sustainability-related impacts are considered by the fund, Candriam sees to it that the personnel take them fully into account.

The Remuneration Policy therefore ensures that the fixed and variable components of total remuneration are appropriately balanced; that the fixed component of total remuneration is high enough; that the policy concerning variable remuneration elements is sufficiently flexible including the possibility to pay no variable remuneration component.

The details of the updated Remuneration Policy, including the composition of the remuneration committee, a description of how remuneration and benefits are calculated, and how this policy is consistent with the consideration of sustainability risks and impacts, are available from the Management Company's website via this link (document entitled **Candriam Remuneration Policy**):

<https://www.candriam.com/en/private/sfdr/>

<https://www.candriam.com/en/professional/sfdr/>

A printed copy is available free of charge on request.

### 3.3.3. Internal Credit Quality Assessment Procedure

In accordance with Regulation (EU) 2017/1131, the Management Company has established an internal credit quality assessment procedure ("Assessment Procedure") which will be systematically applied to determine the credit quality of 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 having a positive credit quality assessment.

**A/ 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 collected information,
  - Propose an assessment of the credit quality of the issuers and/or the instruments to the committees responsible for validating the assessments,
  - Perform day to day management of the assessment of issuers/instruments on the basis of the information feeds available,
  - Revise the assessment of issuers/instruments if the circumstances so require or in case of a change in the methodology or a credit event,
  - Carry out an exhaustive review of the assessment of issuers/instruments every quarter,
  - Update the list of approved issuers/instruments,



- Review the Assessment Procedure once a year or whenever necessary in exceptional circumstances.
- **Candriam money market portfolio managers:**
  - Are not involved in the different analyses in order to ensure absolute independence in assessing issuers and/or instruments,
  - Are non-voting members of the committees in charge of validating these assessments,
  - Apply the committees' decisions to influence their investment choices.
- **The Candriam committees in charge of validating assessments:**
  - Two committees: one devoted to private sector issuers and the other to sovereign issuers,
  - Comprise credit analysts and portfolio managers,
  - Are chaired by the Risk Management service which validates the assessments of money market issuers and/or instruments,
  - Make the decisions official by updating the list of approved issuers/ or instruments
  - Validate assessments of issuers/instruments,
  - Vote in a collaborative way (credit analysts only).
- **Candriam's Risk Management department:**
  - Reviews and validates the Assessment Procedure in a dedicated committee,
  - Monitors how the Assessment Policy is applied,
  - 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 the Assessment Procedure is operating correctly at all times,
  - Validates any change in the credit quality methodology.
- **The Management Company's Board of Directors:**
  - Approves the Assessment Procedure as well as its various updates.

**B/ 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 a guarantor and the default risk of an issuer or a guarantor and an instrument, the following quantitative criteria are used in principle in the credit quality assessment methodology:

- Capital structure: analysis of the capital structure, diversification of sources of finance, key credit ratios, etc.
- Financial health: analysis of cash flow production, the level of financial expenses, key financial ratios etc.
- Quality of assets: capacity to manage the debt level, analysis of off-balance sheet commitments, key financial ratios etc.
- Company liquidity: critical sources/uses of liquidities to assess the liquidities reserve, key financial ratios, etc.



- Assessment of the company's debt: assessment of the issuer's bonds and CDS market, assessment of the issuer's treasury bonds market.
- Market liquidity: existence and capacity of the secondary market for the instrument or security, as well as the outstanding period until the principal amount can be recovered on request (at maturity).

▪ **Qualitative criteria**

The criteria used to establish qualitative credit risk indicators associated with the issuer of the instrument, are in principle:

- The financial situation and the analysis of the most recently available financial statements.
- On the basis of market information, the capacity to react to announcements heralding future specific events affecting a market, an issuer or a guarantor, including the capacity for repayment in an extremely adverse situation.
- On the basis of market information, the capacity to react to elements that will impact the issuer or the guarantor's sector, or the economic system in relation to economic trends and competitive positions.
- Assessment of the issuer's liquidity profile, notably liquidity sources, taking account of the use of bank credit facilities and other liquidity sources, as well as the issuer's capacity to repay its short-term debt.
- For sovereign issuers: the fiscal policy (government revenue in relation to spending requirements), monetary policy (money supply and interest rate levels and trends), balance of payments (strength of the country's capital account), the current account and trade balance, the size of international reserves and their impact on the currency outlook.

The specific criteria used in qualitative assessments of an issuer or guarantor and an instrument as indicated by the Management Company are in principle as follows:

- Short-term character of money market instruments: the internal short-term rating enables the portfolio manager to invest in securities having maturities of between three months to two years.
- The class of assets to which the instrument belongs: notwithstanding the analyst's internal credit assessment, the portfolio manager takes account of market parameters enabling him/her to take account of the asset class to which the various instruments belong.
- The size of the company: assets, pricing policy, turnover.
- Management quality: long term history of strategies, shareholder structure, dividend policy, SRI macroeconomic analysis, relations between the company and shareholders.
- The business model: the geographical breakdown and the products, market share, customer base, SRI macroeconomic analysis, the way the company addresses key success factors.
- The sector risk: the sector's resilience to economic cycles, political and regulatory risks, barriers to entry, the identification of sustainability challenges.
- External credit ratings: the SICAV's various sub-funds will seek to only hold securities having a credit quality assessment deemed to be favourable or positive. When a registered and approved credit rating agency assigns a rating to a money market instrument, the Management Company can take account of this rating, as well as additional information and analyses, when carrying out its internal credit quality assessment, while avoiding mechanical or exclusive reliance on these ratings.
- Environmental, social and governance (ESG) criteria, in particular: the assessment on relations between the company and their stakeholders, the company's exposure



or the impact on it of the main sustainability-related themes, the assessment of sovereign issuers on the essential aspects 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 to 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. 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 website ([www.caceis.com](http://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 website (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 as 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 was formed with view to helping investors access the money markets and provide them with a professional portfolio management service, taking into account the level of risk to which investors are prepared to be exposed.

It aims to provide the highest possible return on the capital invested, taking account of the following investment criteria or objectives:

- A high liquidity coefficient,
- Asset value stability,
- Capital security.

As part of this objective, the SICAV offers investors the choice between various sub-funds managed and run differently and which are differentiated by the currency in which they are denominated or by a specific investment policy.

**Investors' attention is drawn to the fact that no implicit or explicit formal guarantee is given for the invested capital.**



## 6. Investment policy

**6.1** The investments of the various sub-funds of the SICAV must consist only of one or more of the following:

### **A) Money Market Instruments**

1. A money market instrument is eligible for investment by the sub-funds provided that it fulfils 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:
  - (i) Money Market Instruments admitted to or dealt in on a market as defined in Directive 2004/39/EC,
  - (ii) Money Market Instruments dealt in on another regulated market in a Member State, which operates regularly and is recognised and open to the public,
  - (iii) Money Market Instruments admitted to official listing on a stock exchange in a European country (other than those in the European Union), North and South America, Asia, Oceania and Africa, or dealt in on another regulated market in a European country (other than those in the European Union), North and South America, Asia, Oceania and Africa,
  - (iv) Money Market instruments other than those normally dealt in 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) and (iii) above, or
    - Issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by European Union 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 European Union 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 securitisation 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 following application of the Management Company's Internal Credit Quality Assessment Procedure.
2. Notwithstanding point (b) of paragraph 1, sub-funds qualifying as Standard Money Market Funds are also 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.
  3. Point (c) of paragraph 1 does not apply to Money Market Instruments issued or guaranteed by the European 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.
  4. Money Market Instruments also comprise financial instruments issued or guaranteed separately or jointly by the Union, 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 organisation to which one or more Member States belong.

## **B) Securitisations and asset-backed commercial paper (ABCPs)**

1. Both a securitisation and an ABCP are considered to be eligible for investment by a sub-fund provided that the securitisation or ABCP is sufficiently liquid, has received a favourable assessment following application of the Management Company's Internal Credit Quality Assessment Procedure, and is any of the following:
  - a) A securitisation referred to in Article 13 of Delegated Regulation (EU) 2015/61;
  - b) An ABCP issued by an ABCP programme:
    - (i) Which 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 programme-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-securitisation and the exposures underlying the securitisation at the level of each ABCP transaction do not include any securitisation position;



- (iii) Does not include a synthetic securitisation as defined in point (11) of Article 242 of Regulation (EU) No 575/2013, namely a securitisation where the transfer of risk is achieved by the use of credit derivatives or guarantees, and the exposures being securitised remain exposures of the originator institution;
  - c) A simple, transparent and standardised (STS) securitisation as defined in accordance with the criteria and the conditions set out in Articles 20, 21 and 22 of Regulation 2017/2402, or an STS ABCP as defined in accordance with the criteria and the conditions set out in Articles 24, 25 and 26 of the above Regulation. These criteria and conditions include at least the following:
    - (i) Requirements relating to the simplicity of the securitisation, including its true sale character and the respect of standards relating to the underwriting of the exposures;
    - (ii) Requirements relating to standardisation of the securitisation, including risk retention requirements;
    - (iii) Requirements relating to the transparency of the securitisation, including the provision of information to potential investors;
    - (iv) For ABCPs, in addition to points (a), (b) and (c), requirements relating to the sponsor and to the sponsor support of the ABCP programme.
- 2. A sub-fund approved as a Short-term Money Market Fund may invest in the securitisations 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 securitisations 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 securitisations or ABCPs referred to in points (b) and (c) of paragraph 1 is 397 days or less;
  - c) The securitisations referred to in points (a) and (c) of paragraph 1 are amortising instruments and have a WAL of 2 years or less.
- 3. A sub-fund approved as a Standard Money Market Fund may invest in the securitisations 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 securitisations 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 securitisations referred to in points (a) and (c) of paragraph 1 are amortising instruments and have a WAL of 2 years or less.



### **C) Deposits with credit institutions**

A deposit with a credit institution are eligible for investment by the sub-funds 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 European Union law.

### **D) Derivative financial instruments**

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

- a) The derivative instrument underlyings are 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 sub-fund;
- 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 sub-fund;
- 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 sub-fund's initiative.

### **E) Repurchase agreements**

Each sub-fund may enter into repurchase agreements for which on maturity the sub-fund is required to reacquire the asset contained in the repurchase agreement and the seller (counterparty) is required to return the asset contained in the reverse repurchase agreement.

A repurchase agreement is eligible to be entered into by a sub-fund provided that all of the following conditions are fulfilled:

- a) The sub-fund 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 sub-fund as collateral under the repurchase agreement is prohibited from selling, investing, pledging or otherwise transferring those assets without the sub-fund's prior consent;



- d) The cash received by the sub-fund as part of the repurchase agreement is able to be:
  - (i) Placed on deposits with credit institutions 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 the credit institution has its registered office in a third country, provided that it is subject to prudential rules considered by the competent authorities of the UCITS home Member State as equivalent to those laid down in European Union law ; or
  - (ii) Invested in assets referred to in paragraph 6 of point F), but not otherwise invested in eligible assets as referred to in points A) to G), transferred or otherwise reused;
- e) The cash received by the sub-fund as part of the repurchase agreement does not exceed 10% of its assets.

The expected proportion and the maximum proportion of the assets under management involved in such agreements are contained in the Fact Sheet of each sub-fund.

#### **F) Reverse repurchase agreements**

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.

1. A reverse repurchase agreement is eligible to be entered into by a sub-fund provided that all of the following conditions are fulfilled:
  - a) The sub-fund 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 the sub-fund as part of a reverse repurchase agreement must be Money Market Instruments that fulfil the requirements set out in point A) above.

The assets received by the sub-fund as part of a reverse repurchase agreement must not be sold, reinvested, pledged or otherwise transferred.

3. Securitisations and ABCPs must not be received by the sub-fund as part of a reverse repurchase agreement.
4. The assets received by the sub-fund as part of a reverse repurchase agreement must be sufficiently diversified with a maximum exposure to a given issuer of 15% of the sub-fund's net asset value, except where those assets take the form of Money Market Instruments that fulfil the requirements of point 7 of the section entitled "Investment restrictions". In addition, the assets received by the sub-fund as part of a reverse repurchase agreement must 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. A sub-fund that enters into a reverse repurchase agreement must 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 is used for the calculation of the net asset value of the sub-fund.
6. By way of derogation from paragraph 2 of this point F), a sub-fund may receive as part of a reverse repurchase agreement liquid transferable securities or Money Market Instruments other than those that fulfil 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 European 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 following application of the Management Company's Internal Credit Quality Assessment Procedure;
  - 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 following application of the Management Company's Internal Credit Quality Assessment Procedure.

The assets received as part of a reverse repurchase agreement in accordance with the first subparagraph of this paragraph are subject to the requirements in point 7 of the section entitled *Investment restrictions*.

The expected proportion and the maximum proportion of the assets under management involved in such agreements are contained in the Fact Sheet of each sub-fund.

#### **G) Units or shares of other Money Market Funds**

1. A sub-fund may acquire the units or shares of any other Money Market Fund (hereinafter "Targeted Money Market Fund") provided that all of the following conditions are fulfilled:
  - a) No more than 10% of the assets of the Targeted Money Market Fund are able, according to its fund rules or instruments of incorporation, to be invested in aggregate in units or shares of other Money Market Funds;
  - b) The Targeted Money Market Fund does not hold units or shares in the acquiring Money Market Fund.

A Money Market Fund whose units or shares have been acquired must not invest in the acquiring Money Market Fund during the period in which the acquiring Money Market Fund holds units or shares in it.

2. Units or shares of other Money Market Funds are eligible for investment by a sub-fund provided that all of the following conditions are fulfilled:
  - a) The Targeted Money Market Fund is authorised under the MMF Regulation;
  - b) Where the Targeted Money Market Fund is managed, whether directly or under a delegation, by the same manager as that of the acquiring Money Market Fund or by any other company to which the manager of the acquiring Money Market Fund is linked by common management or control, or by a substantial direct or indirect holding, the manager of the targeted Money Market Fund, or that other company, is prohibited from



charging subscription or redemption fees on account of the investment by the acquiring Money Market Fund in the units or shares of the Targeted Money Market Fund.

3. By way of derogation from points c) and d) of paragraph 1 of the section entitled *Investment restrictions*, a sub-fund may acquire units or shares in other Money Market Funds in accordance with Article 55 or 58 of Directive 2009/65/EC under the following conditions:
  - a) The fund is marketed solely through an employee savings scheme governed by national law and which has only natural persons as investors;
  - b) This employee savings scheme 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. A sub-fund approved as a Short-term Money Market Fund may only invest in units or shares of other Short-term Money Market Funds.
5. A sub-fund approved as a Standard Money Market Fund may invest in units or shares of Short-term Money Market Funds and Standard Money Market Funds.

**6.2** The sub-funds of the SICAV may hold ancillary liquid assets (up to 20% of the net assets). Cash held on an ancillary basis is restricted to sight deposits such as cash in instant-access current accounts held at a bank.

**6.3** The sub-funds of the SICAV will not undertake any of the following activities:

- a) Investing in assets other than those referred to in section 6.1;
- b) Short sale of any of the following instruments: Money Market Instruments, securitisations, ABCPs and units or shares of other Money Market Funds;
- 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 sub-fund;
- e) Borrowing and lending cash.

**6.4** Taking account of environmental, social and governance criteria (ESG)

The Fact Sheet of each sub-fund will state the category in which it is classified for the purposes of Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "SFDR Regulation"), namely:

- Sub-fund which has sustainable investment as its objective ("Article 9 of the SFDR Regulation").
- Sub-fund which promotes, among other characteristics, environmental and/or social characteristics ("Article 8 of the SFDR Regulation").



- Other sub-fund which does not have sustainable investment as its objective and which does not specifically promote environmental and/or social characteristics.

If this is mentioned in the investment policy of a sub-fund of the SICAV, the Management Company may make investments which take account of Environmental, Social and Governance criteria.

ESG criteria are taken into account in the management framework defined for each sub-fund.

Information about sustainability indices, adverse impacts on sustainability factors, the promotion of environmental and social factors, and sustainable investment objectives is contained in the dedicated annex attached to the Prospectus for each sub-fund concerned (the "SFDR Annex"). In addition, the annual report of the SICAV contains information about the principal adverse impacts on sustainability factors.

Candriam has developed an approach which is applied by the ESG research and investment team as follows:

**For private issuers:**

In order to take account of the sustainability risk and to reflect profound social changes, some sub-funds aim to exclude companies which:

1. have significantly and repeatedly violated one of the principles of the United Nations Global Compact, covering human rights, international labour standards, the environment, and anti-corruption, and/or
2. are significantly exposed to certain controversial activities as defined for each sub-fund.

The Management Company defines a framework which allows the asset managers to identify opportunities and risks around the serious challenges of sustainable development, potentially affecting portfolios in a substantial way.

As such, the issuing companies are evaluated from two distinct but related perspectives:

1. An analysis of each company's activities (products and services) to assess how its activities respond to the serious long-term challenges of sustainable development, in particular climate change, resource management and waste management, and
2. An analysis of the management of the essential stakeholders of each company, to assess how the companies integrate the interests of their stakeholders (customers, employees, suppliers, investors, society and the environment) into their strategies, their operations and the definition of their strategy.

Furthermore, the process of analysis may be accompanied by dialogue with issuers. Examples of such dialogue include an active dialogue with the issuers or participation in collaborations. This engagement prioritises private issuers located in an OECD country and deemed to be of good quality (rated at least BBB-/Baa3 by one of the ratings agencies), and is organised according to the procedures set out in Candriam's company engagement policy.

Details of Candriam's exclusions policy and the company engagement policies are available on the Candriam website (see "Useful links" below).



### **For sovereign issuers:**

The ESG analysis of Candriam's sovereign issuers aims to evaluate the performance of these issuers across 4 fundamental sustainability dimensions: human capital, natural capital, social capital and economic capital. These ESG criteria are also embedded in the financial management of the portfolio.

The above policies linked to the ESG practices of private and sovereign issuers are applied to positions held directly, to the underlyings of derivative products (apart from index derivatives) and to UCIs/UCITS managed by Candriam.

### **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 for the underlying funds managed by Candriam, the environmental aspects making up these environmental objectives are placed at the heart of the ESG analysis of issuers as detailed in the SFDR Annex.

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 have developed their own analysis framework. This enables them to systematically assess the contribution of a company's activities to the achievement of various environmental objectives set by Candriam and in line with the objective of the Taxonomy.

Following the publication of the technical criteria for the Taxonomy's 2 environmental objectives related to climate change by the group of experts created at the European level, Candriam has undertaken to integrate these technical criteria into its pre-existing analysis framework.

Carrying out such an analysis over the entire scope of the issuers concerned relies heavily on the effective publication of certain data by these key issuers, making it possible to assess their contribution in detail.

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.

The weakness of the data used to accurately assess compliance with the criteria laid down by the Taxonomy makes it difficult to set a minimum percentage of the alignment of these sub-funds with the European Taxonomy. As such, the sub-funds in question are only able at present to commit to a minimum alignment. This minimum alignment percentage must therefore be considered as 0.



For the sub-funds which promote, among other characteristics, environmental and/or social characteristics, the "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

For the sub-funds which do not have sustainable investment as their objective and which do not specifically promote environmental and/or social characteristics, the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities. As such, these sub-funds are prohibited from publishing information about alignment with the Taxonomy.

### Useful links

For more information about ESG analyses, please visit the Candriam website via the following links:

<https://www.candriam.com/en/private/sfdr/>

<https://www.candriam.com/en/professional/sfdr/>

- Exclusion policy: document entitled **Candriam Exclusion Policy**.
- Engagement policy: document entitled **Candriam Engagement Policy**.

## 7. Investment restrictions

### A. Naming rules:

1. A sub-fund will invest no more than:
  - a) 5% of its assets in eligible Money Market Instruments, securitisations 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 Money Market Funds,
  - d) 5% of its assets are invested in units or shares of a single Money Market Fund.
2. By way of derogation from point (a) of paragraph 1, a sub-fund qualifying as a Standard VNAV Money Market Fund or Short-term VNAV Money Market Fund may invest up to 10% of its assets in Money Market Instruments, securitisations and ABCPs issued by the same body provided that the total value of such Money Market Instruments, securitisations and ABCPs held by the sub-fund 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 a sub-fund's exposures to securitisations and ABCPs must not exceed 20% of its assets, whereby up to 15% of the assets of the sub-fund may be invested in securitisations and ABCPs that do not comply with the criteria for the identification of STS securitisations and ABCPs.
4. The aggregate risk exposure to the same counterparty of a sub-fund stemming from OTC derivative transactions which fulfil the conditions set out in point D) of the section entitled *Investment policy* must not exceed 5% of its assets.



5. The aggregate amount of cash provided to the same counterparty of a sub-fund in reverse repurchase agreements must not exceed 15% of the assets of the sub-fund.
6. Notwithstanding the individual limits laid down in paragraphs 1 and 4, a sub-fund must 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, securitisations 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, any sub-fund is authorised 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 Union, 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 of the OECD, the G20 or of 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 organisation to which one or more Member States belong.**

**If a sub-fund exercises this latter option, it must hold Money Market Instruments from 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, a sub-fund 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 bondholders. In particular, sums deriving from the issue of those bonds must 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 a sub-fund 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 must not exceed 40% of the value of the assets of the sub-fund.

9. Notwithstanding the individual limits laid down in paragraph 1, a sub-fund 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 Delegated Regulation (EU) 2015/61 are met, including any possible investment in assets referred to in paragraph 8 of this section.

Where sub-fund 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 must not exceed 60% of the value of the net assets of the sub-fund, 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 recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits referred to in paragraphs 1 to 6 of this section.

## **B. Concentration rules**

1. A sub-fund must not hold more than 10% of the Money Market Instruments, securitisations and ABCPs issued by a single body.
2. This limit does not apply to the Money Market Instruments referred to in paragraph 4 of point A) in the section entitled *Investment policy*.

## **C. Money Market Fund portfolio rules**

1. Short-term Money Market Funds

A portfolio of Short-term Money Market Funds must comply on an ongoing basis with all of the following 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, subject to the provisions of the MMF Regulation concerning WAL calculation;
- c) For a Short-term VNAV Money Market Fund, 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 Money Market Fund is not to acquire any asset other than a daily maturing asset when such acquisition would result in that Money Market Fund investing less than 7.5% of its portfolio in daily maturing assets;
- d) For a Short-term VNAV Money Market Fund, 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 Money Market Fund is not to acquire any asset other than a weekly maturing asset when such acquisition would result in that Money Market Fund 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 Money Market Funds may be included within the weekly maturing assets of a Short-term VNAV Money Market Fund 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 Short-term VNAV Money Market Fund, or as a result of the exercise of subscription or redemption rights, that Short-term VNAV Money Market Fund must adopt as a priority objective the correction of that situation, taking due account of the interests of its shareholders.



## 2. Standard Money Market Funds

A portfolio of Standard Money Market Funds must 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 a WAL of no more than 12 months, subject to the provisions of the MMF Regulation concerning WAL calculation;
- c) 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 Standard Money Market Fund is not to acquire any asset other than a daily maturing asset when such acquisition would result in that Money Market Fund 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 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 Standard Money Market Fund is not to acquire any asset other than a weekly maturing asset when such acquisition would result in that Money Market Fund 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 Money Market Funds may be included within the weekly maturing assets up to a maximum 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 Standard Money Market Fund, or as a result of the exercise of subscription or redemption rights, that Standard Money Market Fund must adopt as a priority objective the correction of that situation, taking due account of the interests of its shareholders.

### D. Management of financial collateral

**This paragraph concerning the financial collateral that may be received by a sub-fund is also applicable to reverse repurchase and repurchase agreements provided that these provisions are not incompatible with the provisions in points E) and F) of section 6.1 above.**

#### a) General criteria

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

- Liquidity: any collateral received in a form other than cash must have a strong level of liquidity and 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 collateral received will be valued on a daily basis and assets with highly volatile prices will only be accepted as collateral if sufficiently prudent safety margins are in place.
- Credit quality of issuers: the financial collateral received must be of excellent quality.



- Correlation: the financial collateral received must be issued by an entity which is independent of the counterparty and does not have a strong correlation with the counterparty's performance.
- Diversification: the financial collateral must be sufficiently diversified in terms of the countries, markets and issuers (for the net assets). As regards issuer diversity, the maximum exposure to an issuer through the collateral received must 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 a member state of the OECD or by public international bodies to which one or more member states of the EEA belong. These issuers must be highly rated (in other words rated at least BBB-/Baa3 by a recognised ratings 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 from 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 collateral, such as operational and legal risks, must be identified, managed and restricted by the risk management process.

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

#### b) Types of authorised collateral

The permitted types of financial collateral are as follows:

- Cash denominated in a currency of one of the OECD's member states;
- Highly rated debt securities (rated at least BBB-/Baa3 or equivalent by one of the ratings agencies) issued by public sector issuers from an OECD country (governments, supranational bodies, etc.) and of a minimum issue size of EUR 250 million, and a maximum residual maturity of 30 years,
- Highly rated debt securities (rated at least BBB-/Baa3 or equivalent by one of the ratings agencies) issued by private sector issuers from an OECD country and of a minimum issue size of EUR 250 million, and a maximum residual maturity of 15 years,
- Shares or units in undertakings for collective investment offering adequate liquidity and investing in Money Market Instruments or highly rated bonds.

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

In the event of materialisation of the counterparty risk, the SICAV could end up owning the financial collateral received. If the SICAV is able to dispose of such collateral 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 collateral fell below the value of the assets loaned/transferred before they could be sold), it might incur a loss equal to the difference between the value of the assets loaned/transferred and the value of the collateral once it is liquidated.



c) Level of financial collateral

The Management Company has put in place a policy which requires a level of financial collateral based on the type of transactions.

The level of collateral required for reverse repo and repo transactions is determined by the agreements reached with each of the counterparties taking account of factors such as the nature and the characteristics of the transactions, the quality of credit and the identity of the counterparties, as well as market conditions at the time. The counterparty's exposure which is not covered by collateral will at all times remain below the counterparty risk limits fixed in the Prospectus.

For the securities lending activity in particular, the financial collateral level will correspond to 100% of the value of the securities lent.

For repurchase agreements and reverse repurchase agreements, the financial collateral level will be 100% when the transaction is initiated. If the amount of collateral falls below this level, this amount will then be adjusted, in compliance with the minimum transferable amounts such as set down in the agreements entered into with counterparties. In no case will the counterparty risk exceed authorised regulatory limits.

For over-the-counter derivative financial instruments: During the course of transactions in over-the-counter financial instruments, some sub-funds may hedge transactions by making margin calls in cash in the currency of the sub-fund subject to the restrictions stated in point 7.A. of this Prospectus as regards the counterparty risk.

d) Discounting policy

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

For each of the categories of assets shown below, the Management Company may 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%
UCI units/shares	0-5%

e) Restrictions on reinvestment of financial collateral received

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

Collateral received in cash can only be placed with counterparties meeting the eligibility criteria above in point C) of the section entitled *Investment policy* of the Prospectus, invested in highly rated government loans, used for the purpose of reverse repurchase transactions that can be recalled at any time and/or invested in to Short-term Money Market Funds, in accordance with the applicable diversification criteria.

Although invested in assets with a low degree of risk, the investments may, nevertheless, contain some limited financial risk.



f) Safekeeping of collateral

In the event of transfer of ownership, the collateral received will be held by the Depositary or a sub-custodian. In other types of collateral agreement, the collateral is held by an external depositary subject to prudential supervision which is not connected to the supplier of the financial collateral.

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

g) Financial collateral in favour of the counterparty

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

h) Periodic investor information

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

i) Valuation

- 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.

- Collateral

Collateral received is valued daily by the Management Company and/or the collateral agent. This valuation follows the valuation principles defined in the Prospectus, applying the discounts applicable to the instrument type.

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. 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.

The risk description below makes no claim, however, to be exhaustive and potential investors should take note firstly of the whole of this Prospectus and secondly of the section "*What are the risks and what might be the benefits?*" in the key investor information document.

It is also recommended that investors consult their professional advisers before investing.

**Risk of capital loss:** there is no guarantee for investors relating to the capital invested in the sub-fund in question, and investors may not receive back the full amount invested.



**Interest rate risk:** 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 sub-fund has a positive rate sensitivity and in the event of a rate decline if the sub-fund has a negative rate sensitivity).

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.

**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 operation of the UCI. The sub-fund may be subject to a number of legal and regulatory risks, in particular contradictory, incomplete, ambiguous and unpredictable interpretations or applications of laws, restricted public access to the regulations, practices and customs, ignorance or violations of laws by counterparties or other market participants, incomplete or incorrect transaction documents, the absence of amendments established or applied consistently in order to obtain redress, inadequate protection of investors or a failure to apply existing laws. Difficulties in asserting, protecting and enforcing rights may have a significant negative effect on the sub-fund and its transactions. In particular, tax rules may be changed regularly or interpreted differently, increasing the amount of tax payable by the investor or the sub-fund on its assets, income, capital gains, financial transactions or fees paid or received by service providers.

**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 specific issuers in particular 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 honour its debt repayment, in the form of coupons and/or principal.

**Risk associated with derivative financial instruments:** Financial derivatives are instruments whose value depends on (or is derived from) one or more underlying financial assets (interest rates, currencies,...). The use of derivatives therefore involves the risk associated with the underlying instruments. In a hedging strategy, the derivative financial instruments may, under certain market conditions, not be perfectly correlated to the assets to be hedged. With options, an unfavourable fluctuation in the price of the underlying assets could cause the sub-fund to lose all of the premiums paid. OTC financial derivatives also entail a counterparty risk (though this may be attenuated by the assets received as collateral) and may involve a valuation risk or a liquidity risk (difficulty selling or closing open positions).

**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 its 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 reverse repurchase and repurchase agreements. These transactions may cause a counterparty risk, i.e. losses incurred in connection with commitments contracted with a defaulting counterparty.

**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 smaller the concentration risk. This risk is also greater for instance on more specific markets (certain regions, sectors or themes) than on broadly diversified markets (worldwide distribution).



**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.

**Custody risk:** the risk of loss of assets held by a depositary as a result of insolvency, negligence or fraudulent action by the Depositary or a sub-custodian. This risk is mitigated by the regulatory requirements governing depositary services.

**Legal risk:** the risk of litigation of all kinds with a counterparty or a third party. The Management Company aims to reduce these risks by putting in place controls and procedures.

**Operational risk:** the operational risk is the risk of direct or indirect losses associated with a number of factors (such as human error, fraud and malice, IT system failures and external events, etc.) which may have an impact upon the sub-fund and/or the investors. The Management Company aims to reduce these risks by putting in place controls and procedures.

**Hedging risk of the share classes:** In some sub-funds, the SICAV may provide two types of hedging aimed at reducing foreign exchange risk: hedging against fluctuations in the reference currency and hedging against the foreign exchange exposure of the assets forming the portfolio. These techniques involve different types of risk. Investors must be aware that the hedging of foreign exchange cannot be a total and permanent process and may not therefore fully neutralise the foreign exchange risk and so there may be differences in performance. Any gains or losses that may arise from the hedging process are borne separately by the holders of these classes.

**ESG investment risk:** The ESG investment risk refers to the risks which arise when ESG factors are taken into account in the management process, such as the exclusion of activities or issuers, or the inclusion of sustainability risks when issuers in the portfolio are selected and/or allocated. The more such factors are taken into account, the higher the ESG investment risk will be.

The methodology is based on the definition of ESG sector models by the asset manager's internal ESG analysts. The research limitations are largely linked to the nature, extent and consistency of the currently available ESG data.

- Nature: certain ESG dimensions lend themselves more to narrative, qualitative information. Such information is subject to interpretation so it introduces a degree of uncertainty into the models.
- Extent: once the ESG dimensions considered by the analysts to be important for each sector have been defined, there is no guarantee that the data will be available for all the companies in that sector. Where possible, the missing data will be filled in by the asset manager's internal ESG analysis.
- Uniformity: the different ESG data providers have different methodologies. Even within the same provider, analogous ESG dimensions may be processed differently depending on the sector. This makes it harder to compare data from different providers.

The absence of European-level common or harmonised definitions and labels incorporating ESG and sustainability criteria may give rise to different approaches among the asset managers to fix the ESG objectives and to determine whether these objectives have been achieved by the funds they manage.

The pursued methodology excludes or limits exposure to the securities of certain issuers for ESG reasons. As a result, it is possible that certain market conditions will generate financial opportunities that the sub-fund is unable to benefit from.



Where applicable, exclusion or inclusion measures relating to the ESG investment risk are described in the section in the Prospectus describing the investment policy and/or in the Fact Sheet of each sub-fund.

**Sustainability risk:** the sustainability risk refers to any environmental, social or governance-related event or situation that might affect the performance and/or reputation of issuers in the portfolio.

Sustainability risks may be subdivided into three categories:

- Environmental: environmental events may create physical risks for the companies in the portfolio. For example, such events could arise from the consequences of climate change, loss of biodiversity, changes in ocean chemistry, etc. Apart from these physical risks, the companies could be negatively impacted by steps taken by governments to address environmental risks (such as a carbon tax). These mitigation risks could affect companies depending on their exposure to the above risks and how well they adapt to them.
- Social: refers to the risk factors linked to human capital, the supply chain and the way companies manage their impact on society. Issues around gender equality, remuneration policies, health and safety and the risks associated with working conditions in general all fall within the social dimension. The social dimension also includes risks of violation of human rights or labour rights in the supply chain.
- Governance: These aspects are linked to governance structures, for example the independence of the board of directors, management structures, labour relations, remuneration and compliance, or tax practices. The thing that governance risks have in common is that they are due to inadequate oversight of the company and/or the lack of incentive for the company to move towards higher governance standards.

The sustainability risk may be specific to the issuer, depending on its activities and practices, but may also be due to external factors. If an unforeseen event occurs in a specific issuer such as a strike or more generally an environmental disaster, the event could have a negative impact on portfolio performance. In addition, issuers which adapt their activities and/or policies may be less exposed to the sustainability risk.

Possible mitigation measures to manage risk exposure include the following:

- Exclusion of controversial activities or issuers,
- Exclusion of issuers based on sustainability criteria,
- Inclusion of sustainability risks when issuers are selected or given weightings in the portfolio,
- Engagement and sound management of the issuers.

Where applicable, these mitigation measures are described in the section in the Prospectus describing the investment policy and/or in the Fact Sheet 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 notably on the basis of the use of derivative financial instruments).



One of two methods is used to monitor the overall risk: the commitment method or the value at risk method. The method used is stated in the Fact Sheet for 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 included 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 long and short 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 overall risk assumed by the sub-funds of the SICAV 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 level (99%).

The value at risk 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 level of leverage as well as the possibility of a higher level of leverage is referred to in the Fact Sheet for the sub-fund in question.

## 10. 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 right 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 an equal proportion of the net liquidation proceeds.

The SICAV offers different Classes, details of which are contained in the Fact Sheet of each sub-fund.

Shares are now only available in registered form.

Shareholders will not receive any certificate representing the shares unless expressly requested by them. The SICAV will instead simply issue a written confirmation of entry in the register.

Fractions of shares divided into thousandths may be issued.

## **11. Listing of shares**

The shares of the SICAV may be listed on the Luxembourg Stock Exchange at the discretion of the Board of Directors.

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

The Board of Directors is authorised to issue an unlimited number of shares at any time. The shares must be fully paid-up.

### ***Current subscription***

Shares in each sub-fund are issued at a price corresponding to the net asset value per share, plus any fees payable to Distributors as defined in the Fact Sheets of the sub-funds.

The Board of Directors of the SICAV 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.

### ***Procedure***

The date of the net asset value ("NAV") ("NAV Date"), the Valuation Date and cut-off time for subscription orders are set out in the Fact Sheets.

Any reference to the NAV Date must be interpreted as any Bank Business Day on which the net asset value is dated, as specified in the Fact Sheets. The Management Company may consider certain days not to be NAV Dates if the banks, stock exchanges and/or regulated markets involved, as determined by the Management Company for each sub-fund, are closed for trading and/or settlement. A list of the days considered not to be NAV Dates for the different sub-funds is available on the website [www.candriam.com](http://www.candriam.com).

The SICAV may, however, at the discretion of its Board of Directors, allow distributors, at their request, a maximum reasonable additional period of 90 minutes after the official cut-off time of the different sub-funds - apart from the Candriam Money Market Euro AAA sub-fund for which the maximum additional period is 1 hour – to allow them to centralise, aggregate and send orders to the transfer agent, still based on an unknown net asset value.

Full payment, including any selling fee, must be received within the period specified in the Fact Sheets.



Applications must specify the sub-fund and Class wanted, whether capitalisation shares or distribution shares are wanted, and must include a statement declaring that the buyer has received and read a copy of the Prospectus and that the subscription request is made on the basis of the terms of this Prospectus.

Subscriptions will be accepted as an amount and, at the decision of the Board of Directors, as a number of shares. The application 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 Distributor who, in turn, will inform the buyer about the total amount to be paid, including the sales fee, in respect of the number of shares applied for.

The total amount due must be paid in the currency of the sub-fund by transfer in favour of the Transfer Agent for the account of the SICAV. Purchasers must give their bank instructions to advise the Transfer Agent that payment has been made, specifying the name of the buyer for identification purposes.

If the payment and a written subscription application are not received within the specified period, the application may be rejected and any allocation of shares made on the basis of such application may be cancelled.

If payment in connection with a subscription application is received after the period specified, the Transfer Agent may process this application on the basis that the number of shares that can be subscribed by means of such amount will be the number resulting from the next calculation of the net asset value following receipt of payment.

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

### ***Fair treatment of investors***

Investors participate in the Sub-Funds by subscribing into, and holding, shares of individual Share Classes. Individual shares of a single Share Class bear the same rights and obligations in order to ensure equal treatment of all investors within the same Share Class of the relevant Sub-Fund.

While remaining within the parameters profiling the different Share Classes of the relevant Sub-Fund, the Management Company may enter into arrangements, on the basis of objective criteria as further specified below, with individual investors or a group of investors providing for special entitlements for those investors.

Such entitlements shall be understood as being rebates on fees charged to the Share Class, or specific disclosures, and will be granted solely based on objective criteria determined by the Management Company and out of its own resources.

Objective criteria include, but are not limited to (alternatively, or cumulatively):

- The expected holding period for an investment in the Sub-Fund;
- The investor's willingness to invest during the sub-fund's launch phase;
- The current or anticipated amount subscribed or to be subscribed by an investor;
- The total Asset under Management (AuM) held by an investor in the Sub-Fund or in any other product of the Management Company;
- The type of the investor (e.g. repackager, wholesaler, fund management company, asset manager, other institutional investor, or private individual);
- The fee or revenues generated by the investor with a group of, or all affiliates of the group to which the Management Company belongs.



Any investor or prospective investor within a Share Class of a given Sub-Fund which is, in the reasonable opinion of the Management Company, objectively in the same situation than another investor in the same Share Class who entered into arrangements with the Management Company is entitled to the same arrangements. In order to obtain the same treatment, any investor or prospective investor may liaise with the Management Company by addressing a request to the Management Company's registered office. The Management Company will share the relevant information on the existence and nature of such specific arrangements with the relevant investor or prospective investor, verify the information received from the latter and determine on the basis of the information made available to it (including by such investor or prospective investor) whether the latter is entitled to the same treatment or not.

### **General provisions**

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

No shares 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 of Incorporation and described in the Prospectus. Notice of any suspension of this type will be given to persons who have submitted a subscription application and any applications 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, applications will be processed on the first valuation date following the end of the suspension.

## **13. Conversion of shares**

Shareholders may apply for 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 telex or fax, stating whether the shares to be converted are in registered or bearer form.

The NAV Date (as defined in the section entitled *Issue of shares and subscription and payment procedures*), Valuation Date and cut-off time for conversion orders are set out in the Fact Sheets.

The SICAV may, however, at the discretion of its Board of Directors, allow distributors, at their request, a maximum reasonable additional period of 90 minutes after the official cut-off time of the different sub-funds - apart from the Candriam Money Market Euro AAA sub-fund for which the maximum additional period is 1 hour – to allow them to centralise, aggregate and send orders to the transfer agent, still based on an unknown net asset value.

Classique Class shares may not be converted to I Class, S Class, V Class or Z Class shares.

The rate at which all or some of the shares of a sub-fund or Class (the "original sub-fund or 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 is the number of shares of the new sub-fund or Class to allocate;
- B is the number of shares in the original sub-fund or Class to convert;
- C is the net asset value per share of the original sub-fund or Class determined on the date in question;
- D is the net asset value per share of the new sub-fund or Class determined on the date in question;
- E is the exchange rate on the date in question between the currency of the original sub-fund and the currency of the new sub-fund.

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 respective price.

## 14. Redemption of shares

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

### **Procedure**

All shareholders wishing to have all or part of their shares redeemed may apply for the redemption by writing to the Transfer Agent. The application must be irrevocable (with the exception of what is stated further below in the case of the 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 in the case of registered shares. The application must also contain the telex or fax number or the address, if applicable, of the shareholder making the redemption application.

The NAV Date (as defined in the section entitled *Issue of shares and subscription and payment procedures*), Valuation Date and cut-off time for redemption orders are set out in the Fact Sheets.

The SICAV may, however, at the discretion of its Board of Directors, allow distributors, at their request, a maximum reasonable additional period of 90 minutes after the official cut-off time of the different sub-funds - apart from the Candriam Money Market Euro AAA sub-fund for which the maximum additional period is 1 hour – to allow them to centralise, aggregate and send orders to the transfer agent, still based on an unknown net asset value.

As soon as is reasonably possible after the redemption price has been determined, the Transfer Agent will inform the applicant of the price.

The price of the redeemed shares will be paid within the period described in the Fact Sheets. Payment will be made in the currency specified in the Fact Sheet relating to the sub-fund concerned.

The redemption price of the shares of a Class of the SICAV may be higher or lower than the purchase price paid by the shareholder at the time of subscription, depending on whether the net asset value has risen or fallen.



### ***Temporary suspension of redemptions***

The right of any shareholder to apply for redemptions from the SICAV will be suspended for as long as the calculation of the net asset value per share is suspended by the SICAV by virtue of the powers described in the "Temporary suspension of the calculation of the net asset value" chapter of the Prospectus. Any shareholders offering shares for redemption will be notified of this suspension and 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 suspension continues for more than one month from the notification of the redemption application, the application may be cancelled by giving written notice to the Transfer Agent, provided this notice reaches the Transfer Agent before the end of the suspension.

### ***Forced redemptions***

The Management Company's Board of Directors may, at its discretion and in accordance with the Articles of Incorporation of the SICAV, forcibly redeem all or some of the shares held by a shareholder if the Management Company's Board of Directors considers that such holding might:

- (i) Constitute a violation of any (a) applicable law and regulations of Luxembourg or other laws and regulations, (b) requirement of any country or (c) requirement of any government authority;
- (ii) Make the SICAV (including its shareholders), or any of its delegates, subject to sanctions, penalties, charges or other disadvantages (financial, administrative or operational) which the SICAV (including its shareholders) or its delegates could not otherwise have incurred or experienced, or be otherwise detrimental to the interests of the SICAV (including its shareholders); or
- (iii) Cause the liquidity of the SICAV or the sub-fund in question to be endangered by the concentration of shares of that shareholder;
- (iv) Cause that shareholder to exceed any limit applicable to the shareholder's participation.

If it transpires that a person who is to be prevented from holding shares, alone or jointly with any other person, nevertheless holds shares, the Management Company's Board of Directors may forcibly redeem all the shares thus held in accordance with the Articles of Incorporation.

## **15. Market timing and late trading**

*Market timing* and *Late trading*, as defined below, are formally prohibited in relation to subscription, redemption and conversion orders.

The SICAV reserves the right to reject any subscription or conversion orders received from investors suspected of such practices and, where applicable, reserves the right to take all necessary steps to protect other investors.

### **15.1 Market timing**

*Market timing* practices are not permitted.

*Market timing* means the arbitrage technique whereby an investor systematically subscribes and redeems or converts the shares of the same collective investment undertaking over a short period of time by exploiting time differences and/or shortcomings or deficiencies in the system used to determine the net asset value of the collective investment undertaking.



## **15.2 Late trading**

Practices associated with *Late trading* are not permitted.

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.

## **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 Distributors 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**

The net asset value per share of each sub-fund is determined in that sub-fund's base currency in accordance with the Articles of Incorporation, which stipulate that this calculation will take place at least once every bank business day.



The net asset value per share of active sub-funds is calculated in Luxembourg on each valuation date (the "valuation date"), as stated in the Fact Sheets. If the valuation date is a public or bank holiday in Luxembourg, the valuation date will be the next bank business day.

The net asset value per share is determined if possible on the basis of the last known prices on the markets where the Money Market Instruments held in the portfolio of each sub-fund are predominantly traded.

The net asset value of the SICAV is equal to the sum of the net asset values of the various sub-funds converted into EUR at the exchange rate prevailing in Luxembourg on the respective valuation date.

The net asset value per share of each sub-fund is equal to the difference between the gross assets and the liabilities payable by this sub-fund divided by the number of shares. In order to determine the net asset value per share, income and expenditure is accounted up to the applicable settlement date for subscriptions and redemptions, which will be processed on the basis of the applicable net asset value.

The net asset value per share of the various Classes is calculated as follows:

A. In particular, the SICAV's assets will consist of the following:

- a) All cash on hand or on deposit including accrued interest;
- b) All notes and bills payable at sight and accounts receivable (including proceeds from the sale of shares where payment has not yet been received);
- c) All Money Market Instruments (including bonds with a residual maturity of less than 397 days), units or shares in Money Market Funds, securitisations, ABCPs and other investments that are the property of the SICAV;
- d) All dividends and distributions receivable by the SICAV (it is understood that the SICAV may make adjustments in the light of fluctuations of the market value of transferable securities resulting from ex-dividend or ex-rights trading or similar practices);
- e) All accrued interest from securities owned by the SICAV, unless such interest is included in the principal of the securities;
- f) The preliminary expenses of the SICAV insofar as they have not been amortised;
- g) All other assets of any kind, including prepaid expenses.

The value of these assets will be determined as follows:

- a) Securitisations, ABCPs and Money Market Instruments are valued at the market price;
- b) Shares or units of Money Market Funds are valued on the basis of their last published net asset value;
- c) Cash, deposits, accounts receivable, accounts payable, repurchase and reverse repurchase agreements are valued at their nominal value;



- d) Derivative financial instruments which are listed and cleared by a central counterparty are valued at the settlement price in the various markets; other derivative financial instruments are valued on the basis of models validated by the Management Company;

The above assets are valued on the reference date, or failing that on the first available date before then.

If access to a market price valuation is not possible, if the market data is not of high enough quality, if the assets are not subject to significant transaction volumes or if the price of the assets is unavailable or clearly unrepresentative of the market, the assets of the SICAV will undergo prudent valuation including valuation with reference to a model.

The model-based valuation method is based on financial models in order to assign a fair value to an asset, making use of:

- (i) Models developed in-house by the Board of Directors and/or the Management Company, or
- (ii) Existing models from external parties such as data providers, or
- (iii) A combination of both (i) and (ii).

Assets not expressed in the currency of the sub-fund shall be converted into that currency at the exchange rate in force in Luxembourg on the respective valuation date.

B. The SICAV's liabilities will in particular consist of the following:

- (a) All borrowings, matured bills and accounts payable;
- (b) All administrative charges, overdue or due (including but not limited to remuneration paid to the SICAV's asset managers, depositaries, representatives and agents);
- (c) All known obligations, whether due or not due, including all contractual obligations payable relating to payments in cash or in kind, where the Valuation Date coincides with the date on which it is determined who is or will be entitled to such payment;
- (d) 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 authorised or approved by the Board of Directors;
- (e) 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 charges payable to counterparties providing a service to the SICAV including management, performance 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 of Incorporation, 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 charges 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 charges, 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.

The SICAV may calculate regular or periodic administrative and other expenses by way of an estimate for the year or any other period, allocating the amount over that period on a pro rata basis.

C. Distribution of assets and liabilities:

The directors will establish common assets accounts for each sub-fund in the following way:

- a) If two or more Classes relate to a given sub-fund, the assets allocated to these Classes will be invested commonly in accordance with the specific investment policy of the respective sub-fund.
- b) The proceeds from the issue of the shares in each sub-fund will be allocated in the books of the SICAV to the assets account established for this Class or sub-fund given that if one of more Classes are issued for a sub-fund, the corresponding amount will increase the proportion of net assets of this sub-fund attributable to the Class to be issued.
- c) The assets, liabilities, income and expenses of the sub-fund will be allocated to the Class(es) corresponding to this sub-fund.
- d) The assets derived from other assets shall, in the SICAV's accounts, be allocated to the same common assets as the assets from which they are derived. In case of asset appreciation or depreciation, the increase or decrease in the value of that asset shall be attributable to the asset account of the Sub-fund to which this asset is allocated;
- e) All liabilities of the SICAV which may be attributed to a specific sub-fund shall be attributed to the assets account of that sub-fund;
- f) The assets, liabilities, charges and expenses which cannot be attributed to a specific Sub-fund shall be attributed to the various Sub-funds in equal parts, or in so far as the amounts concerned justify it, on a pro rata basis of their respective net assets.

Following distributions made to the holders of the shares of one Class, the net asset value of that Class will be reduced by the amount of such distributions.

D. For the purposes of this article:

- a) Each share of the SICAV in the process of being redeemed will be considered to be issued and existing until the close of business on the Valuation Date and will, from that date and until the price is paid, be considered a liability of the SICAV;
- b) Shares to be issued by the SICAV in accordance with the subscription applications received will be treated as being issued from the close of business of the Valuation Date and the price will be treated as a debt due to the SICAV until received by the latter;



- c) All investments, cash balances and other assets of the SICAV shall be valued after taking into account the market rates or exchange rates applicable on the day of the determination of the net asset value of shares; and
- d) As far as possible, any purchase or sale of securities contracted by the SICAV on a Valuation Date shall be effective on the Valuation Day;
- e) Following the payment of dividends to the shareholders of any sub-fund, the net asset value of that sub-fund shall be reduced by the amount of these dividends.

### **Rights of investors**

Concerning the protection of shareholders in the event of an incorrectly calculated net asset value or of a correction of the consequences of a failure to respect the investment rules applicable to the SICAV, the SICAV follows the principles and rules set out in CSSF Circular 02/77, as replaced by CSSF Circular 24/856 of 29 March 2024. The rights of the ultimate beneficiaries may be affected when compensation is paid in the event of errors/failures at sub-fund level when they subscribed to the shares through a financial intermediary. Investors are advised to seek advice regarding their rights.

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

In accordance with the Articles of Incorporation, the SICAV may suspend the calculation of the net asset value of each sub-fund:

- a) For any period during which a market or a stock market which is the principal market or stock market on which a significant percentage of the investments of the SICAV is listed at a given point, is closed, except for normal closing days, or when trading is subject to major restrictions or suspensions (for example, suspension of redemption/subscription orders if the stock exchange is closed for half a day);
- b) In an urgent situation as a result of which the SICAV cannot gain access to its investments;
- c) During any breakdown in the means of communication normally used to determine the price of any investment of the SICAV or current prices on any market or stock market;
- d) During any period during which it is not possible to hand over the funds which are or may be necessary for the realisation 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;
- e) In the event of the cancellation/closure or demerger of one or more sub-funds or Classes or types of shares, provided this suspension is justified with a view to protecting the shareholders of the sub-funds or Classes or types of shares in question;
- f) If a meeting of shareholders is called to propose the winding-up of the SICAV.

Subscribers and shareholders offering shares for redemption MUST be advised of the suspension of the calculation of the net asset value.

Pending subscriptions and redemption requests may be withdrawn by written instruction provided this is received by the Transfer Agent before the end of the suspension.



Pending subscriptions and redemptions will be processed on the first valuation date following the lifting of the suspension.

## **19. Allocation of income**

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

The Board of Directors may, for the distribution shares, propose the payment of a dividend to the general meeting of shareholders; this will consist of the net investment income available plus, where appropriate, unrealised capital gains and less realised or unrealised losses.

For the capitalisation shares, the Board of Directors will propose the capitalisation of the associated income.

The Board of Directors also reserves the right to distribute interim dividends during the financial year.

Dividends that are not claimed within 5 years of their date of payment may no longer be claimed and will 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 specific 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**

### ***Taxation of the SICAV***

Under the terms of current Luxembourg legislation and according to current practice, the SICAV is not subject to Luxembourg income tax. Similarly, dividends paid by the SICAV are not subject to any form of Luxembourg withholding tax.

The SICAV is, however, subject to an annual duty in Luxembourg, in accordance with article 174 of the Law 2010, representing 0.01% of the net asset value of the SICAV, which is equal to the sum of the net asset values of the various sub-funds, weighted by the respective EUR exchange rate of the different currencies of each sub-fund.

The I, V, S and Z Classes of the Candriam Money Market Euro AAA sub-fund are, however, exempt from this subscription duty, in accordance with article 175 of the Law of 2010, in view of the fact that these Classes meet all the criteria set down in this article.

This tax is payable quarterly based on the net assets of the SICAV and calculated at the end of the quarter to which the tax relates.

In accordance with the Law and current practice, no tax is payable in Luxembourg on the capital gains realised on the assets of the SICAV.

Certain revenues of the SICAV in terms of dividends and interest from asset sources outside Luxembourg may, however, be liable to taxes at variable rates, which are generally deducted at source. Generally speaking, these taxes or deductions at source are not fully or partly recoverable. Within this context, the relief on these taxes and deductions at source provided for by the international double taxation prevention treaties entered into by the Grand Duchy of Luxembourg



and the respective countries is not always applicable.

### ***Taxation of shareholders***

Under current legislation, shareholders are not liable in Luxembourg to 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 for tax on dividends received and capital gains realised on the sale of their units if their units are held for a period of less than six 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 realised on the sale of their units.

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.

## **22. General Meetings**

An annual general meeting of shareholders will take place each year at the SICAV's registered office, or any other place in Luxembourg specified in the meeting notice. It will take place within six months of the end of the financial year.

Notices of all general meetings of shareholders will be sent by mail to all registered shareholders at the address shown in the share register at least eight days before the general meeting in accordance with the legislation in force.

These notices will state the time and place of the general meeting and the conditions of admission, the agenda and the requirements under Luxembourg law as regards the required quorum and majority.

In addition, notices will be published in the Mémorial, Recueil des Sociétés et Associations of the Grand Duchy of Luxembourg, the Luxembourg newspaper "Luxemburger Wort" if the legislation requires it.

They will also be published in the press of the countries where the SICAV is marketed, if stipulated by the legislation of these countries.

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

## **23. Closure, merger and demerger of sub-funds, share classes or share types – Liquidation of the SICAV**

### ***23.1. Closure, cancellation and liquidation of sub-funds, Classes or types of shares***

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 to the shareholders of the one or more sub-funds, Classes or types of shares the total net asset value of the shares in these one or more sub-funds, Classes or types of shares, 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 notably be made in the following circumstances:

- Substantial and unfavourable changes in the economic, political and social situation in the countries where either investments are made or shares in the sub-funds in question are distributed,
- If the net assets of a sub-fund were to fall below a level considered by the Board of Directors to be too low for that sub-fund to continue to be managed efficiently,
- Within the context of rationalising the products offered to shareholders.

This decision of the Board of Directors will be published as described in 25.2 below.

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 securities whose holders do not present themselves by the time the sub-fund closure procedure is complete will remain on deposit with the Caisse de Consignation in Luxembourg for the relevant beneficiary.

## **23.2. Merger of sub-funds, Classes or types of shares**

### *23.2.1 Merger of Classes or types of shares*

Under the circumstances indicated in article 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 will be published as described in 25.2 below.

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 free of charge.

### *23.2.2 Merger of sub-funds*

Under the circumstances indicated in article 23.1. above, the Board of Directors may decide to merge one or more sub-funds of the SICAV with each other or with another UCITS coming under Directive 2009/65/EC under the conditions set down in the Law of 2010.

However, for any merger giving rise to the disappearance of the SICAV, the taking effect of such merger will be decided by the general meeting of shareholders deliberating in accordance with the methods and the quorum and majority requirements stated in the articles of incorporation.

The SICAV will send the shareholders appropriate and accurate information about the proposed merger, so as to allow them to be fully informed and decide on the impact of this merger on their investment.

This information will be communicated based on the conditions set forth in the Law of 2010.

From the date this information is communicated, shareholders will have a period of 30 days during which they will have the right, free of charge apart from amounts deducted by the SICAV to cover the divestment costs, to apply for the redemption or repayment of their shares or, where applicable, based on the decision of the Board of Directors, the conversion of their shares into shares of another sub-fund or another UCITS with a similar investment policy and managed by the



Management Company or by any other company with which the Management Company is associated through a relationship of common management or common control or through a significant direct or indirect shareholding.

This 30-day period will expire five bank business days before the calculation date of the exchange ratio.

### **23.3. Demerger of sub-funds, Classes or types of shares**

Under the same circumstances as those indicated in article 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 shares, decide to divide this sub-fund, Class or type of shares into one or more sub-funds, Classes or types of shares.

This decision of the Board of Directors will be published as described in 25.2 below.

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 free of charge.

### **23.4. Liquidation of the SICAV**

If the share capital of the SICAV falls below two thirds of the minimum required capital, the Board of Directors must refer the matter of winding up the SICAV to a general meeting of shareholders deliberating without conditions of attendance and ruling on the basis of a simple majority of the shares represented at the meeting.

If the share capital of the SICAV falls below one quarter of the minimum capital, the Board of Directors must refer the matter of winding up the SICAV to a general meeting of shareholders deliberating without conditions of attendance. Winding-up may be declared by shareholders holding one quarter of the shares represented at the meeting.

The meeting invitation must be sent to shareholders in such way 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 of Incorporation.

In the event of a 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 for 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. Charges and fees**

### **24.1. Subscription, conversion and redemption fees**

A subscription fee payable to the Distributors (unless otherwise stated in the Fact Sheets) may be applied to subscriptions.

A conversion fee payable to the Distributors (unless otherwise stated in the Fact Sheets) may be applied to conversions between sub-funds of the same compartment if this is duly set out in the Fact Sheets.



A redemption fee payable to the Distributors (unless otherwise stated in the Fact Sheets) may be applied to redemptions.

These fees are expressed as a percentage of the amount of the subscription (subscription and/or conversion orders) or redemption as described in each Fact Sheet.

#### **24.2. Management fee**

In consideration for its portfolio management activity, the Management Company receives annual management fees, as indicated in the Fact Sheets.

The management fee is expressed as an annual percentage of the average net asset value of each 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 indicated 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 indicated 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 overheads, 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 and the principal paying agent, fees and charges for 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, refers to the fees and charges of the domiciliary agent, the administrative agent, the transfer agent, the registrar and order routing platforms, the costs associated with registration and for maintaining this registration in all jurisdictions (such as fees deducted by the supervisory authorities concerned, translation costs and payment for representatives abroad and local paying agents), listing and maintenance fees for the stock exchange or specific platforms, share price publication costs, postal and communication costs, the costs for preparing, printing, translating and distributing prospectuses, key information documents, notices to the shareholders, financial reports or any other documents for shareholders, legal fees and expenses, the costs and charges associated with the subscription to any account or licence or any other use of paid information or data, the fees associated with analysis services, the fees incurred for using the SICAV's registered trademark 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 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 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, 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 as a result.

The Operational and Administrative Charges do not cover:

- The duties, taxes, contributions, rights or similar tax charges imposed on the SICAV and its assets, including Luxembourg subscription;
- Charges linked to transactions: each sub-fund incurs the charges and expenses for buying and selling transferable securities, financial instruments and derivative products, brokerage fees and charges, interest (interest on swaps and loans, etc.) or tax and other expenses linked to;
- Charges linked to securities lending and borrowing activities.
- Charges generated by the anti-dilution mechanism.
- Bank charges, for example interest on overdrafts.
- Credit facility charges.
- Non-recurring expenses, some of which may not be reasonably expected in the ordinary course of SICAV 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.

Charges and expenses relating to updating the Prospectus may be amortised over the next five financial 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 this new sub-fund.

The charges and costs which cannot be attributed to a specific sub-fund will be charged to the various sub-funds in equal parts and, in so far as this is justified by the amounts, pro rata to their respective net assets.



## **25. Shareholder information**

### **1. Publication of the net asset value**

The net asset value per share of each sub-fund and/or per Class, together with the issue, redemption and conversion prices will be published on each valuation date and available from the registered office of the SICAV and from the financial services authorities in the countries where the SICAV is marketed and on the website [www.candriam.com](http://www.candriam.com).

### **2. Financial notices and other information**

Notices to shareholders including invitations to the general meetings of shareholders will be addressed to the shareholders by registered letter to their address as it appears in the register of shareholders or by any other means of communication (including electronic mail) that meets the conditions set out in the Law of 10 August 1915 on commercial companies and that has been accepted by the shareholder. Shareholders who omit to communicate their electronic address to the SICAV will be considered to have refused any electronic communication.

It will also be published in the press of the countries where the shares of the SICAV are marketed, if stipulated by the legislation of these countries.

### **3. Financial year and reports to shareholders**

Reports to shareholders on the previous financial year and the results will be available from the registered office of the SICAV.

The financial year of the SICAV ends on 31 December each year.

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

### **4. Available information and documents**

The SICAV's Prospectus, key information documents, Articles of Incorporation and annual and semi-annual reports are available to the public free of charge, during normal office hours on bank business days, at the registered office of the SICAV and the offices of the financial services authorities in countries in which the SICAV is marketed.

The agreement appointing the Management Company, the agreement concerning the operational and administrative charges, and the depositary bank and principal paying agent agreement may be consulted by investors at the registered office of the SICAV during normal office hours on bank business days.

The Prospectus is also available at: [www.candriam.com](http://www.candriam.com).

The following information is available in accordance with the MMF Regulation, on the website [www.candriam.com](http://www.candriam.com):

- The maturity breakdown of the portfolio of the sub-funds;
- The credit profile of the sub-funds;
- The WAM and WAL of the sub-funds;
- Details of the 10 largest holdings in each sub-fund;
- The total value of the assets of the sub-funds;
- The net yield of the sub-funds.



## 5. Auditors

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

## 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.

## 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.

# 26. Processing of personal data

## 1) Introduction

In accordance with the provisions of the Luxembourg law on the protection of persons with regard to the processing of their personal data, and all applicable local laws and regulations ("**Applicable Data Protection Legislation**"), including pursuant to the entry into force of Regulation (EU) 2016/679 (the "**GDPR**"), the Management Company acting on behalf of the SICAV processes personal data and is therefore the data controller (the "**Data Controller**").

## 2) Processing of personal data

In the context of its operations, the Data Controller collects, records and processes, by electronic or other means, the personal data of investors and of their directors, managers, employees and effective beneficiaries (the "**Data Subjects**") for the purpose of providing the services requested by the investors and of meeting their legal and regulatory requirements. In particular, the Data Controller may process personal data for the following purposes:

- To enable and to facilitate investments in units of the SICAV and their ongoing management and administration (including creating, updating and maintaining the investors' accounts and the register of shareholders, processing share subscriptions, redemptions and conversions, executing securities transactions concerning the holding of units),
- For the SICAV's administrative purposes, to enable the Data Controller to meet its contractual obligations and to pursue legitimate interests and objectives (including dividend payments, investor information and communication, complaint processing, calling and holding shareholder meetings),
- To follow the applicable laws and regulations, including but not limited to applicable anti-money laundering rules, applicable tax requirements (especially FATCA-related), late trading and market timing practices, periodic and ad hoc communication to investors and local authorities, compliance with court orders,
- For any other particular purpose if the Data Subject has consented to such purpose,
- Customer relations management.



The above "legitimate interests" of the Data Controller include: (a) customer relations management; (b) the provision of proof of a transaction or of all commercial communication in the context of a dispute; also in the context of any plans to purchase, merge or acquire part of the activities of the SICAV, and (c) the exercise of activities of the SICAV according to reasonable market norms. Considering the purposes for which the processing of personal data is envisaged, the Data Controller does not intend to obtain consent. If it relies on consent in order to process the personal data of the Data Subjects, the Data Controller will contact them to obtain such consent. If consent is obtained, the Data Subjects can withdraw their consent at any time.

In particular, investors' personal data processed by the Data Controller includes the name, details (postal address or e-mail address), tax identification number, bank details, and the amount invested and held in the SICAV ("**Personal Data**").

If the investor in question is not the Data Subject to whom the personal data relates, the investor will inform the Data Subject(s) of the processing of their personal data for the purposes described in this document, will provide them with a copy of this notice and, if necessary and appropriate, will obtain in advance their consent which may be required for the processing of their Personal Data. The Data Controller assumes that the investors comply with the commitments set out here.

The investor may at his/her discretion refuse to communicate Personal Data to the Data Controller. In this case, however, the Management Company, acting on behalf of the SICAV, may reject a subscription application for shares.

The Personal Data will not be kept for longer than necessary for the purposes for which it is processed, and is subject to the applicable retention periods.

### **3) Third party access to Personal Data and transfer outside the EEA**

Apart from the Management Company acting on behalf of the SICAV, the Personal Data may be shared with the Data Controller's delegates, agents and service providers and also with the courts and with public and administrative authorities (note that these authorities, in particular tax authorities, may themselves transmit information to other authorities, in particular tax authorities). Personal Data may be transferred to affiliates and third-party entities supporting the activities of the Data Controller which include, in particular, the Administrative Agent, the Depositary, the Transfer Agent and Distributors. The Data Controller and the above recipients may also disclose Personal Data to their representatives, employees and other entities within their group and to other third parties for the purposes set out above and for internal investigations and communications.

Personal Data may be shared and transferred by the above entities both within and outside the European Economic Area (EEA). In the latter case, they will ensure that the Personal Data is protected either through an adequacy decision of the European Commission or through appropriate guarantees such as EU standard contractual clauses, binding corporate rules, an approved code of conduct, and approved mechanisms and/or certification mechanisms. Investors have the right, at their discretion, to object to the transfer of their Personal Data by the Data Controller outside the EEA. In this case, however, the Management Company, acting on behalf of the SICAV, may reject a subscription application for shares.



#### 4) Rights of the Data Subjects

Under the Applicable Data Protection Legislation, each Data Subject has the following rights:

- **Access:** the right to obtain confirmation as to whether or not Personal Data is being processed and to be given access to the Personal Data and certain additional information such as the processing purpose or the categories of Personal Data. The Data Subjects have the right to request a copy of the Personal Data. The Data Subjects may be refused access to the Personal Data if, for example, this would involve disclosure of a third party's Personal Data or if the Data Controller is prevented from disclosing this information by law.
- **Accuracy:** the Data Controller must keep the Personal Data updated and ensure that it is accurate and complete.
- **Withdrawal:** if processing is based on consent, the Data Subjects have the right to withdraw their consent prior to processing of the Personal Data.
- **Objection:** in some cases, taking all the circumstances into account, the Data Subjects also have the right to object to processing of the Personal Data.
- **Restriction:** in some cases, taking all the circumstances into account, the Data Subjects also have the right to restrict processing of the Personal Data.
- **Erasure:** in some cases, taking all the circumstances into account, the Data Subjects also have the right to have their Personal Data erased.
- **Portability:** the right to have all or part of the Personal Data transferred to the Data Subject or to another controller in a structured, commonly used and machine-readable format.
- **Complaints:** if the Data Subjects think their rights have been breached, they have the right to lodge a complaint with the relevant data protection authority or to take legal action.

If the Data Subjects wish to submit a request to exercise one or more of their rights as listed above, they should send an e-mail to the following address: [dpo@candriam.com](mailto:dpo@candriam.com). The request should clearly indicate which right the Data Subjects wish to exercise and, if applicable, the reasons why they are exercising the right. The Data Controller will quickly acknowledge receipt of the request. If the request is valid, the Data Controller will comply with it as soon as is reasonably possible, and in any event within one month of receipt of the request. If not, the Data Controller will inform the Data Subjects of the reasons for refusing the request within one month of receipt of the request.

#### 5) Additional information

If the Data Subjects have any questions, requests or concerns about the processing of their personal data as described here, they can send an e-mail to this address [dpo@candriam.com](mailto:dpo@candriam.com) or a letter to the registered office of the Management Company acting on behalf of the SICAV. This information is reviewed regularly and may be updated by the Data Controller.



## **27. Information for investors in Switzerland**

### **1. Representative**

The representative in Switzerland is CACEIS (Switzerland) SA, Route de Signy 35, CH-1260 Nyon (hereinafter the "Swiss Representative").

### **2. Paying agent**

The paying agent in Switzerland is CACEIS Bank, Montrouge, succursale de Nyon/Suisse, Route de Signy 35, CH-1260 Nyon (hereinafter the "Swiss Paying Agent").

### **3. Location where the relevant documents may be obtained**

The Prospectus, the key information documents, the articles of incorporation as well as the annual and semi-annual reports may be obtained free of charge from the Swiss Representative.

### **4. Publications**

In Switzerland, publications concerning to the SICAV are made on the website of Fundinfo ([www.fundinfo.com](http://www.fundinfo.com)).

Each time shares are issued or redeemed, the issue and the redemption prices or the net asset value together with a reference stating "excluding commissions" must be published for all share classes on the website of Fundinfo ([www.fundinfo.com](http://www.fundinfo.com)). Prices are published on a daily basis.

### **5. Share classes that are not distributed in Switzerland**

The share classes R2, S, VB and Z are not actively distributed in Switzerland.

### **6. Payment of retrocessions and rebates**

#### **7. Retrocessions**

For the share classes C, I, S, V, V2 and Y, the Management Company and its agents may pay retrocessions as remuneration for distribution activity in respect of the shares in Switzerland. This remuneration may be deemed payment for the following services in particular:

- Activity of marketing and distribution in or from Switzerland;
- Storage of data and documents in relation to investors in accordance with the related regulation;
- Investor relations, including the management of enquiries and claims and communication to the Management Company and its agents;
- Communication of fund documents to investors (including annual and semi-annual reports, articles of incorporation, Prospectus and KID);
- Communication of marketing and advertising materials to prospective clients in accordance with the relevant regulations;
- Investment advice to prospective clients in accordance with the relevant regulations; and
- Preparation of investor due diligence files, monitoring of compliance with anti-money laundering procedures and verification of "Know Your Client" documents, in accordance with regulatory compliance requirements.

For the R share class, retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors.



Disclosure of the receipt of is based on the applicable provisions of FinSA

## **8. Rebates**

Investors participate in the Sub-Funds by subscribing into, and holding, shares of individual Share Classes. Individual shares of a single Share Class bear the same rights and obligations in order to ensure equal treatment of all investors within the same Share Class of the relevant Sub-Fund.

While remaining within the parameters profiling the different Share Classes of the relevant Sub-Fund, the Management Company may enter into arrangements, on the basis of objective criteria as further specified below, with individual investors or a group of investors providing for special entitlements for those investors.

Such entitlements shall be understood as being rebates on fees charged to the Share Class, or specific disclosures, and will be granted solely based on objective criteria determined by the Management Company and out of its own resources.

Objective criteria include, but are not limited to (alternatively, or cumulatively):

- The expected holding period for an investment in the Sub-Fund;
- The investor's willingness to invest during the launch phase of the Sub-Fund;
- The current or anticipated amount subscribed or to be subscribed by an investor;
- The total Asset under Management (AuM) held by an investor in the Sub-Fund or in any other product of the Management Company;
- The type of the investor (e.g. repackager, wholesaler, fund management company, asset manager, other institutional investor, or private individual);
- The fee or revenues generated by the investor with a group of, or all affiliates of the group to which the Management Company belongs.

Any investor or prospective investor within a Share Class of a given Sub-Fund which is, in the reasonable opinion of the Management Company, objectively in the same situation than another investor in the same Share Class who entered into arrangements with the Management Company is entitled to the same arrangements. In order to obtain the same treatment, any investor or prospective investor may liaise with the Management Company by addressing a request to the Management Company. The Management Company will share the relevant information on the existence and nature of such specific arrangements with the relevant investor or prospective investor, verify the information received from the latter and determine on the basis of the information made available to it (including by such investor or prospective investor) whether the latter is entitled to the same treatment or not.

Upon request of investors, the Management Company makes available, free of charge, the amount of the respective rebates.

## **9. Place of performance and jurisdiction**

In respect of the shares offered in, the place of performance is the registered office of the Swiss Representative.

The place of jurisdiction is at the registered office of the Swiss Representative or at the registered office or place of residence of the investor.



## Annex I – Fact Sheets



## Fact Sheet Candriam Money Market Euro

This sub-fund is authorised as a Standard VNAV Money Market Fund in accordance with the MMF Regulation.

This sub-fund is classified according to Article 8 of the SFDR Regulation, which means that it promotes environmental or social characteristics but does not have sustainable investment as its objective.

This Fact Sheet must be read in conjunction with the detailed information on the ESG characteristics of this sub-fund as described in the SFDR Annex.

### 1. Investment objective and investor profile

The sub-fund has the separate or combined objectives of offering yields comparable to those of the money market or preserving the value of the investment. The objective of the sub-fund is to benefit from the performance of the market in money market instruments denominated primarily in EUR, with a residual maturity of under 397 days or with an interest rate that is adjustable at least annually, issued principally by good-quality issuers, on the basis of discretionary management.

This sub-fund may be appropriate for investors who wish to achieve this objective over a short 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

The sub-fund will be invested in Money Market Instruments (including bonds with a residual maturity of under 397 days or with an interest rate that is adjustable at least annually) and deposits.

The Money Market Instruments (including bonds) used are issued principally by good-quality issuers or guaranteed by good-quality guarantors (minimum rating A2/P2 or equivalent by one of rating agencies).

**The sub-fund may use the derogation to the diversification rule that requires that a sub-fund not invest more than 5% of its assets in Money Market Instruments issued by the same entity, such as detailed in the *Investment restrictions* section in point 7 of the Prospectus. It may thus invest up to 100% of its assets in money market instruments issued or guaranteed individually or jointly by:**

- **The European Union**
- **National administrations (countries or state agencies – for example, the German State, the Kreditanstalt für Wiederaufbau (KfW), or the CADES (Caisse d'Amortissement de la Dette Sociale)) of Member States of the European Union;**
- **Regional administrations (for example, a Belgian region, a French Department, a German land) of Member States of the European Union;**
- **Local administrations (for example, European cities such as Brussels and Turin) in member states of the European Union.**

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 Money Market Funds.

The sub-fund may hold ancillary liquid assets.



The sub-fund takes into account an analysis of ESG criteria as set out in the *Investment policy* section of the Prospectus.

The analysis of companies' greenhouse gas emissions is taken into account, seeking a carbon footprint for the sub-fund which is below an absolute threshold. This threshold is defined as a function of the investment universe and may be reviewed if the investment universe changes. This analysis of private issuers is applied to at least 90% of the sub-fund's investments, apart from deposits, cash and index derivatives.

The thresholds and the details of the methodology are available in the transparency code available at the following link:

[https://www.candriam.com/documents/candriam/article\\_205/en/document.pdf](https://www.candriam.com/documents/candriam/article_205/en/document.pdf)

The sub-fund seeks to exclude certain companies as described in the SFDR Annex.

These exclusions are applicable to direct line investments and/or money market funds of which Candriam is the Management Company.

Under certain conditions, the analysis and selection process may also be accompanied by active involvement based on dialogue with the companies.

The sub-fund may also make use of derivative products with underlyings consisting of interest rates, foreign exchange rates, currencies or indices representing one of those categories, for hedging purposes.

### **3. Repurchase agreements and reverse repurchase agreements**

The sub-fund may use reverse repurchase agreements in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may correspond to a maximum of 50% of the net assets of the portfolio.

In particular, the sub-fund will use reverse repurchase agreements when justified by the market conditions, and only when a cash investment based on such a transaction is justified.

The sub-fund may use repurchase agreements in a proportion which may vary between 0% and 10% of the net assets of the portfolio, and which may reach a maximum of 10% of the net assets of the portfolio, under certain market conditions.

In every case, such transactions must be justified in order to meet temporary liquidity needs.

### **4. Risk factors specific to the sub-fund and risk management**

#### **4.1 Risk factors specific to the sub-fund**

- Credit risk
- Counterparty risk
- Sustainability risk
- ESG investment risk
- Risk of capital loss
- Interest rate risk
- Liquidity risk
- Risk associated with derivative financial instruments
- Risk related to external factors

There is a general explanation of the various risk factors in section 8. Risk Factors in the Prospectus.



## 4.2 Risk management

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

## 5. Benchmark Index

The sub-fund is actively managed and its investment approach implies a reference to an index. The benchmark used does not explicitly take sustainability criteria into account.

Index name	Capitalised €STR
Index definition	Short term rate in euros that reflects unsecured overnight borrowing costs in euros for banks in the euro zone.
Use of the index	- to compare performance.  For share classes in currencies other than the currency of the sub-fund, another corresponding index may be used in order to compare performance.
index provider	European Central Bank
	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 index have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark index, if appropriate. Any such change of benchmark index will be reflected in an updated Prospectus. Such plans are available, upon request, at the registered office of the Management Company.

## 6. Valuation currency of the sub-fund: EUR

## 7. Form of the shares: registered shares only.

## 8. Classes

- **Classique** Class capitalisation shares (LU0093583077)
- **Classique** Class distribution shares (LU0093583234)
- **I** Class capitalisation shares (LU0206982331)
- **PR** Class capitalisation shares (LU3092460040)
- **PR** Class distribution shares (LU3092460123)
- **R** Class capitalisation shares (LU0936337848)
- **R** Class distribution shares (LU2906179010)
- **R2** Class capitalisation shares (LU1389878098)
- **R2** Class distribution shares (LU1389877876)



- **V** Class capitalisation shares (LU0323048693)
- **V** Class distribution shares (LU0323048776)
- **VB** Class capitalisation shares (LU2898839167)
- **VB** Class distribution shares (LU2898839241)
- **W** Class capitalisation shares (LU3092460396)
- **W** Class distribution shares (LU3092460479)
- **Z** Class capitalisation shares (LU0391999124)
- **Z** Class distribution shares (LU1389877520)

## 9. Fees and charges

Classes	Fees and charges				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	0%	0%	0%	Max. 0.50%	Max. 0.30%
I	0%	0%	0%	Max. 0.20%	Max. 0.17%
PR	0%	0%	0%	Max. 0.20%	Max. 0.30%
R	0%	0%	0%	Max. 0.30%	Max. 0.30%
R2	0%	0%	0%	Max. 0.13%	Max. 0.30%
V	0%	0%	0%	Max. 0.06%	Max. 0.17%
VB	0%	0%	0%	Max 0,13%	Max 0,30%
W	0%	0%	0%	Max. 0.14%	Max. 0.30%
Z	0%	0%	0%	0%	Max. 0.17%

**10. Calculation of the net asset value:** each bank business day in Luxembourg.

## 11. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
<b>Cut-off</b>	D at 12.30 p.m. (Luxembourg time)
<b>NAV date</b>	D
<b>Valuation date</b>	D+1
<b>Payment date</b>	D+1

This Fact Sheet forms an integral part of the Prospectus dated 14 July 2025.



## Fact Sheet Candriam Money Market Euro AAA

This sub-fund is authorised as a Short-term VNAV Money Market Fund in accordance with the MMF Regulation.

This sub-fund is classified according to Article 8 of the SFDR Regulation, which means that it promotes environmental or social characteristics but does not have sustainable investment as its objective.

This Fact Sheet must be read in conjunction with the detailed information on the ESG characteristics of this sub-fund as described in the SFDR Annex.

### 1. Investment objective and investor profile

The sub-fund has the separate or combined objectives of offering yields comparable to those of the money market or preserving the value of the investment. The objective of the sub-fund is to benefit from the performance of the market in money market instruments denominated primarily in EUR, with a residual maturity of under 397 days or with an interest rate that is adjustable at least annually, issued principally by good-quality issuers, on the basis of discretionary management.

The sub-fund seeks to maintain an AAA rating issued by a rating agency and financed by the sub-fund.

This sub-fund may be appropriate for investors who wish to achieve this objective over a very short 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

The sub-fund will be invested in Money Market Instruments (including bonds with a residual maturity of under 397 days or with an interest rate that is adjustable at least annually) and deposits.

The rating of short-term instruments will be a minimum of A1 (S&P) or equivalent.

The weighted residual maturity (rate duration) of the portfolio will not exceed 60 days.

The sub-fund may invest a maximum of 10% of its assets in Short-term Money Market Funds.

The sub-fund may hold ancillary liquid assets.

**By way of derogation, the sub-fund may invest up to 100% of its assets in money market instruments issued or guaranteed individually or jointly by:**

- The European Union
- National administrations (countries or state agencies – for example, the German State, the Kreditanstalt für Wiederaufbau (KfW), or the CADES (Caisse d'Amortissement de la Dette Sociale)) of Member States of the European Union;
- Regional administrations (for example, a Belgian region, a French Department, a German land) of Member States of the European Union;
- Local administrations (for example, European cities such as Brussels and Turin) in member states of the European Union.



The sub-fund takes into account an analysis of ESG criteria as set out in the *Investment policy* section of the Prospectus.

The analysis of companies' greenhouse gas emissions is taken into account, seeking a carbon footprint for the sub-fund which is below an absolute threshold. This threshold is defined as a function of the investment universe and may be reviewed if the investment universe changes. This analysis of private issuers is applied to at least 90% of the sub-fund's investments, apart from deposits, cash and index derivatives.

The thresholds and the details of the methodology are available in the transparency code available at the following link:

[https://www.candriam.com/documents/candriam/article\\_205/en/document.pdf](https://www.candriam.com/documents/candriam/article_205/en/document.pdf)

The sub-fund seeks to exclude certain companies as described in the SFDR Annex.

These exclusions are applicable to direct line investments and/or money market funds of which Candriam is the Management Company.

Under certain conditions, the analysis and selection process may also be accompanied by active involvement based on dialogue with the companies.

As part of and in accordance with its investment policy, the sub-fund may also make use of derivative products with underlyings consisting of interest rates, foreign exchange rates, currencies or indices representing one of those categories, for hedging purposes.

### **3. Repurchase agreements and reverse repurchase agreements**

The sub-fund may use reverse repurchase agreements in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may correspond to a maximum of 50% of the net assets of the portfolio.

In particular, the sub-fund will use reverse repurchase agreements when justified by the market conditions, and only when a cash investment based on such a transaction is justified.

The sub-fund may use repurchase agreements in a proportion which may vary between 0% and 10% of the net assets of the portfolio, and which may correspond to a maximum of 10% of the net assets of the portfolio.

In every case, such transactions must be justified in order to meet temporary liquidity needs.

### **4. Risk factors specific to the sub-fund and risk management**

#### **4.1 Risk factors specific to the sub-fund**

- Counterparty risk
- Sustainability risk
- ESG investment risk
- Risk of capital loss
- Interest rate risk
- Credit risk
- Liquidity risk
- Risk associated with derivative financial instruments
- Risk related to external factors

There is a general explanation of the various risk factors in section 8. Risk Factors in the Prospectus.



## 4.2 Risk management

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

## 5. Benchmark Index

The sub-fund is actively managed and its investment approach implies a reference to an index. The benchmark used does not explicitly take sustainability criteria into account.

Index name	Capitalized €STR
Index definition	Short term rate in euros that reflects unsecured overnight borrowing costs in euros for banks in the euro zone.
Use of the index	- to compare performance.  For share classes in currencies other than the currency of the sub-fund, another corresponding index may be used in order to compare performance.
Index provider	European Central Bank  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 index have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark index, if appropriate. Any such change of benchmark index will be reflected in an updated Prospectus. Such plans are available, upon request, at the registered office of the Management Company.

## 6. Valuation currency of the sub-fund: EUR

## 7. Form of the shares: registered shares only.

## 8. Classes

- **Classique** Class capitalisation shares (LU0354091653)
- **Classique** Class distribution shares (LU0354091737)
- **I** Class capitalisation shares (LU0354091901)
- **I** Class distribution shares (LU0354127358)
- **R** Class capitalisation shares (LU0936338655)
- **R2** Class capitalisation shares (LU1389879575)
- **R2** Class distribution shares (LU1389879229)
- **S** Class capitalisation shares (LU0875858168)
- **V** Class capitalisation shares (LU0354092115)
- **V** Class distribution shares (LU0354092206)



- **VB** Class capitalisation shares (LU2898839324)
- **VB** Class distribution shares (LU2898839597)
- 
- **Z** Class capitalisation shares (LU0391999470)
- **Z** Class distribution shares (LU1389879062)

**9. Subscription details:** subscriptions will be accepted as an amount and, at the decision of the Board of Directors only, as a number of shares.

#### 10. Fees and charges

Classes	Fees and charges				
	Issue	Exit	Conversion	Portfolio management	Operational and Administrative Charges (*)
Classique	0%	0%	0%	Max. 0.50%	Max. 0.30%
I	0%	0%	0%	Max. 0.14%	Max. 0.17%
R	0%	0%	0%	Max. 0.30%	Max. 0.30%
R2	0%	0%	0%	Max. 0.13%	Max. 0.30%
S	0%	0%	0%	Max. 0.05%	Max. 0.17%
V	0%	0%	0%	Max. 0.10%	Max. 0.17%
VB	0%	0%	0%	Max 0,13%	Max 0,30%
Z	0%	0%	0%	0%	Max. 0.17%

(\*) including in particular the charges incurred by the sub-fund in order to obtain a rating from a rating agency.

**11. Calculation of the net asset value:** each bank business day in Luxembourg.

#### 12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
<b>Cut-off</b>	D at 12.30 p.m. (Luxembourg time)
<b>NAV date</b>	D
<b>Valuation date</b>	D
<b>Payment date</b>	D

This Fact Sheet forms an integral part of the Prospectus dated 14 July 2025.



## Fact Sheet Candriam Money Market USD Sustainable

This sub-fund is authorised as a Standard VNAV Money Market Fund in accordance with the MMF Regulation.

This sub-fund is classified according to Article 9 of the SFDR Regulation, which means that it pursues a sustainable investment objective.

This Fact Sheet must be read in conjunction with the detailed information on the ESG characteristics of this sub-fund as described in the SFDR Annex.

### 1. Investment objective and investor profile

The sub-fund has the separate or combined objectives of offering yields comparable to those of the money market or preserving the value of the investment. The objective of the sub-fund is to benefit from the performance of the market in money market instruments denominated primarily in USD, with a residual maturity of under 397 days or with an interest rate that is adjustable at least annually, issued principally by good-quality issuers, on the basis of discretionary management.

The sub-fund seeks to contribute to a reduction in greenhouse gas emissions by means of specific objectives and by considering climate-related indicators when analysing issuers and securities, and aims to have a positive environmental and social impact in the long term.

This sub-fund may be appropriate for investors who wish to achieve this objective over a short 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

The sub-fund will be invested in Money Market Instruments (including bonds with a residual maturity of under 397 days or with an interest rate that is adjustable at least annually) and deposits.

The Money Market Instruments (including bonds) selected benefit from a credit quality assessment deemed to be favourable or positive. Eligible assets are mainly issued by high quality issuers or guaranteed by high quality guarantors: they are rated at least A2/P2 or deemed to be of equivalent quality when analysed using the Management Company's proprietary methodology, as the sub-fund seeks to avoid having mechanical and excessive recourse to ratings published by external rating agencies.

The investments are denominated in USD and in currencies of the Member States of the OECD. The sub-fund may invest a maximum of 10% of its assets in Money Market Funds.

The sub-fund may hold ancillary liquid assets.

**By way of derogation, the sub-fund may invest up to 100% of its assets in money market instruments issued or guaranteed individually or jointly by:**

- **The European Union**
- **National administrations (countries or state agencies – for example, the German State, the Kreditanstalt für Wiederaufbau (KfW), or the CADES (Caisse d'Amortissement de la Dette Sociale)) of Member States of the European Union;**
- **Regional administrations (for example, a Belgian region, a French Department, a German land) of Member States of the European Union;**



- **Local administrations (for example, European cities such as Brussels and Turin) in member states of the European Union.**

Securities/issuers are selected on the basis of economic/financial analyses as well as ESG considerations, both of which are long-term risk and opportunity indicators.

ESG aspects are analysed using a methodology developed by the Management Company and detailed below.

The results of the ESG analysis are integrated into the financial management of the portfolio. The purpose of this analysis is to make managers better able to identify the risks but also the opportunities arising from the main sustainable development challenges.

The ESG analysis covers the entire portfolio of the sub-fund, apart from deposits, cash and index derivatives.

### **FOR ISSUING COMPANIES**

The sub-fund selects companies on the basis of Candriam's ESG analysis, which assesses issuers from two distinct but related perspectives:

- The analysis of the company's activities: an assessment of how the company's activities address the main challenges of sustainable development, in particular climate change and resource and waste management; and
- The analysis of stakeholders: assessment of how companies manage issues that are important to stakeholders, in particular employees, customers, society, the environment, suppliers, investors.

### **NORMATIVE ASSESSMENT AND EXCLUSIONS APPLICABLE TO ISSUING COMPANIES**

In order to mitigate the risks associated to ESG themes and to take account of significant societal changes, the sub-fund tends to exclude companies that come under Candriam's SRI exclusion policy.

The sub-fund seeks to exclude certain companies as described in the SFDR Annex.

### **FOR SOVEREIGN ISSUERS:**

Candriam's ESG selection process enables countries to be selected that are well equipped to manage their human, natural and social capital in addition to their economic capital, and that are not considered to be highly repressive regimes and/or that are not exposed to the risk of financing of terrorism and/or money laundering.

### **IMPLEMENTATION OF THE SUB-FUND'S SUSTAINABILITY OBJECTIVES**

#### **Sustainability objective related to climate change**

Climate change is one of the most critical environmental challenges of our time.

The possibility of taking up other urgent environmental challenges, such as limiting deforestation, combating the loss of biodiversity or the protection of freshwater resources, will depend on humanity's ability to limit climate warming over the next 30 years.

At the same time, the path to be followed to limit greenhouse gas emissions has never been so clear.

Indeed, numerous international and European conventions, backed up by scientific reports, have established specific scenarios to achieve the necessary reduction in emissions. Thus, in the Paris Accord the European Commission committed to reducing overall greenhouse gas emissions by 40% by 2030 compared to 1990 levels. This commitment was updated in 2019 to make Europe the



first continent to achieve carbon neutrality on a net basis by 2050 and reduce greenhouse gas emissions by 55% instead of 40% by 2030.

In this context, the sub-fund has the objective of having a carbon footprint under a given absolute threshold. This threshold is some 30% less than that of the investment universe and it may be reviewed in line with developments in the investment universe.

To know the scope taken into consideration, as well as the carbon footprint methodology, please see the Transparency Code on Candriam's website, see the link in the *Investment Policy* section of the Prospectus.

On the basis of the ESG analysis and the selection stages (ESG analysis, violations of the United Nations Global Compact, exclusion of controversial activities) listed in the *Investment objectives* section of the Prospectus, the sub-fund's investment universe analysed is reduced by at least 20% firstly by removing issuers presenting significant ESG factor risks from the investment universe analysed.

### **Global sustainable objective**

In addition, the sub-fund is also seeking to have positive long term impacts on the environment, more broadly that climate change and also in social areas.

Several sustainable impacts are incorporated into investment decisions. This is why Candriam has developed an impact assessment methodology based on the analysis of business activities and their contribution to the main sustainable objectives. As part of this assessment, Candriam analysts seek to determine to what extent the products and services of the companies contribute to the achievement of these major sustainable objectives, which are as follows:

- The attenuation and adaptation to climate change;
- Resource and waste management;
- Promotion of health and well-being;
- Digitalisation and the promotion of innovation;
- Adaptation to demographic changes.

This assessment constitutes the basis for the overall assessment of each company, as well as the analysis of how its stakeholders are managed. By incorporating this assessment of the impact of business activities, Candriam can now implement well-diversified strategies in order to focus investments on companies that contribute to several sustainable objectives.

The objective of having a positive long term environmental and social impact is currently assessed with an ESG score calculated by Candriam.

To achieve this sustainable objective, the aim is for the sub-fund to achieve a weighted average ESG score which is higher than the benchmark index's weighted average ESG score.

The objective of having a positive long term environmental and social impact is currently assessed by calculating a score based on Candriam's exclusive ESG analysis.

To address this sustainability objective, the sub-fund's weighted average ESG score, including sovereign issuers and corporate issuers, must be higher than 50 (on a scale of 0 to 100).

The thresholds and the details of the methodology are available in the Transparency Code on Candriam's website, see the following link:

[https://www.candriam.com/documents/candriam/article\\_205/en/document.pdf](https://www.candriam.com/documents/candriam/article_205/en/document.pdf)

### **Engagement and voting**

The issuing company analysis and selection process is accompanied by good corporate management activities (for example, direct active dialogue with the companies, participation in collaborative commitment initiatives) described in Candriam's Engagement Policy, see the link in the *Investment Policy* section of the Prospectus.



## **Use of derivative instruments**

The sub-fund may also make use of derivative financial instruments on the regulated or over-the-counter markets for the sole purpose of hedging.

The derivative instrument underlyings are interest rates, foreign exchange rates, currencies or indices representing one of those categories.

### **3. Repurchase agreements and reverse repurchase agreements**

The sub-fund may use reverse repurchase agreements in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may correspond to a maximum of 50% of the net assets of the portfolio.

In particular, the sub-fund will use reverse repurchase agreements when justified by the market conditions, and only when a cash investment based on such a transaction is justified.

The sub-fund may use repurchase agreements in a proportion which may vary between 0% and 10% of the net assets of the portfolio, and which may correspond to a maximum of 10% of the net assets of the portfolio.

In every case, such transactions must be justified in order to meet temporary liquidity needs.

### **4. Risk factors specific to the sub-fund and risk management**

#### **4.1 Risk factors specific to the sub-fund**

- ESG investment risk
- Credit risk
- Counterparty risk
- Risk of capital loss
- Interest rate risk
- Liquidity risk
- Risk associated with derivative financial instruments
- Risk related to external factors
- Sustainability risk

There is a general explanation of the various risk factors in section 8. Risk Factors in the Prospectus.

#### **4.2 Risk management**

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

### **5. Benchmark Index**

The sub-fund is actively managed and its investment approach implies a reference to an index. The benchmark used does not explicitly take sustainability criteria into account.



Index name	Effective Federal Funds Rate
Index definition	Effective Federal Funds Rate: the rate at which depository institutions lend reserve balances (USD amounts held at Federal Reserve Banks) to each other overnight.
Use of the index	- to compare performance.  For share classes in currencies other than the currency of the sub-fund, another corresponding index may be used in order to compare performance.
Index provider	New York Fed
	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.

**6. Valuation currency of the sub-fund: USD**

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

**8. Classes**

- **Classique** Class capitalisation shares (LU0049341216)
- **Classique** Class distribution shares (LU0094032728)
- **I** Class capitalisation shares (LU0206982414)
- **I** Class distribution shares (LU0355214700)
- **R2** Class capitalisation shares (LU1389878684)
- **R2** Class distribution shares (LU1389878411)
- **V** Class capitalisation shares (LU0323048347)
- **V** Class distribution shares (LU0323048420)
- **VB** Class capitalisation shares (LU2908112795)
- **VB** Class distribution shares (LU2908112878)
- 
- **Z** Class capitalisation shares (LU0391999553)
- **Z** Class distribution shares (LU1389878254)



## 9. Fees and charges

Classes	Fees and charges				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	0%	0%	0%	Max. 0.50%	Max. 0.25%
I	0%	0%	0%	Max. 0.20%	Max. 0.16%
R2	0%	0%	0%	Max. 0.13%	Max. 0.25%
V	0%	0%	0%	Max. 0.06%	Max. 0.16%
VB	0%	0%	0%	Max 0,13%	Max 0,25%
Z	0%	0%	0%	0%	Max. 0.16%

**10. Calculation of the net asset value:** each bank business day in Luxembourg.

## 13. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
<b>Cut-off</b>	D at 12.30 p.m. (Luxembourg time)
<b>NAV date</b>	D
<b>Valuation date</b>	D+1
<b>Payment date</b>	D+2

This Fact Sheet forms an integral part of the Prospectus dated 14 July 2025.



## Annex II – SFDR Annexes

- Candriam Money Market Euro
- Candriam Money Market Euro AAA
- Candriam Money Market USD Sustainable

Product name:

Legal entity identifier

Candriam Money Market - Euro

549300HW8QC4WE183D97

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

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

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : _%	<input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20 % of sustainable investments
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> _%	<input checked="" type="checkbox"/> with a social objective
	<input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



### What environmental and/or social characteristics are promoted by this financial product?

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

The sub-fund promotes environmental and social characteristics as follows:

- by seeking to avoid exposure to companies that present both significant and severe structural risks and that are seriously in breach of the normative principles, taking account of their practices with regard to environmental and social issues and of adherence to norms such as the UN Global Compact and the OECD Guidelines for Multinational Enterprises,
- by seeking to avoid exposure to companies that are significantly exposed to controversial activities such as the mining, transport or distribution of thermal coal, the production or retail of tobacco, and the production or sale of controversial weapons (anti-personnel mines, cluster bombs, chemical, biological, white phosphorus and or depleted uranium weapons),
- by seeking to support the energy transition with an energy mix favouring renewables and avoiding emitters which are highly exposed to especially polluting energy sources such as coal,

tar sands and shale gas/oil,

- by seeking to avoid exposure to countries considered to be oppressive regimes,
- by seeking to achieve a lower carbon footprint than an absolute threshold.

In addition to the above, Candriam's ESG research methodology is an integral part of the investment process. Finally, the sub-fund seeks to invest a minimum proportion of its assets in sustainable investments

No non-financial benchmark has been designated in order to achieve the environmental or social characteristics promoted by the sub-fund.

● ***What Sustainability Indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The sustainability indicators used in order to measure the achievement of environmental and social characteristics are the following:

- carbon footprint: the sub-fund seeks to achieve a carbon footprint for private issuers which is below an absolute threshold,
- steps to ensure that there are no investments in issuers seriously in breach of the normative principles, taking account of their practices with regard to environmental and social issues and of adherence to norms such as the UN Global Compact and the OECD Guidelines for Multinational Enterprises,
- steps to ensure that there are no investments in issuers exposed to controversial weapons,
- steps to ensure that there are no investments in issuers particularly exposed to the mining, transport or distribution of thermal coal,
- steps to ensure that there are no investments in issuers particularly exposed to the production and distribution of tobacco,
- steps to ensure that there are no investments in issuers significantly exposed to the production, manufacture, sale, testing or maintenance of conventional weapons and/or components/services which are critical for conventional weapons;
- steps to ensure that there are no investments in electricity-producing issuers which have new coal or nuclear projects, or which have a carbon intensity above a certain threshold;
- steps to ensure that there are no investments in issuers significantly exposed to non-conventional oil and gas, nor in issuers exposed to conventional oil and gas for which a significant portion of revenues does not originate from natural gas and renewable energies,
- steps to ensure that there are no investments in issuers significantly exposed to gambling activities, directly or indirectly,
- steps to ensure that there are no investments in issuers significantly exposed to nuclear energy,
- steps to ensure that there are no investments in issuers producing, distributing and purchasing palm oil which are not members of the Roundtable on Sustainable Palm Oil and which are significantly exposed non-RSPO-certified palm oil, and which do not have a deforestation policy,
- steps to ensure that there are no investments in issuers directly involved in the extraction and smelting of metals and minerals which have not implemented relevant ESG risk management systems, in accordance with recognised international standards such as the UN Guiding Principles, Voluntary Principles on Security and Human Rights and the OECD Guidelines,
- steps to ensure that there is no investment in the debt of sovereign and quasi-sovereign issuers on Candriam's list of oppressive regimes.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The sustainable investments which the sub-fund intends to make for part of the portfolio aim to contribute to a reduction in greenhouse gas emissions by means of exclusions

and the use of climate indicators in the analysis of companies, and they aim to have a positive environmental and social impact in the long term.

Concerning sustainable investments with environmental objectives, the sub-fund, through its sustainable investments defined by Candriam's proprietary ESG analysis, may over the long-term contribute to one or more of the following environmental objectives as set out in Article 9 of Regulation (EU) 2020/852:

- a) climate change mitigation,
- b) climate change adaptation,
- c) the sustainable use and protection of water and marine resources,
- d) the transition to a circular economy,
- e) pollution prevention and control.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The sustainable investments which the financial product makes do no significant harm to any sustainable environmental or social investment objectives, to the extent that Candriam takes account of the principal adverse impacts and aims for alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, through the framework of its ESG ratings and its exclusions policy on controversial activities and normative policy.

Companies that contribute negatively to environmental and/or social sustainable investment objectives and that consequently do significant harm to these objectives through their adverse impacts will consequently tend to be allocated a poor score under Candriam's ESG rating system. It is therefore highly likely that they be excluded from the eligible investment universe.

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

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

For these sustainable investments realised partially by the sub-fund, indicators of the principal adverse impacts on sustainability factors were considered using Candriam's ESG rating framework, exclusions from controversial activities and exclusions based on standards.

For example:

1. Through the exclusion of companies involved in controversial activities and standards-based exclusions, which are based on an analysis of companies' compliance with international standards, Candriam takes account of the following principal adverse impacts (PAIs):

- PAI 3, 4 and 5: Exclusion of companies with significant exposure to conventional and non-conventional fossil fuel activities and/or non-renewable energy production. For PAIs 4 and 5, Candriam applies thresholds when taking account of exposure to these activities.
- PAI 7: Activities adversely impacting biodiversity sensitive areas. For example, Candriam excludes companies involved in palm oil (thresholds based on palm oil not certified by the RSPO).
- PAI 10: Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises.
- PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

2. Through the exclusion of countries considered to be systematically in breach of citizens' civil and political rights through Candriam's method of analysis and sovereign filtering:

- PAI 16: Investee countries subject to social violations.

3. By analysing the contribution of a company's business activities to the main sustainability challenges of climate change and resource depletion, Candriam takes account of the following principal adverse impacts:

- PAI 1, 2, 3, 4, 5 and 6: By assessing the main sustainability challenges of climate change, Candriam analyses a company's exposure to climate risks as well as the intensity of GHG emissions generated by their business activities. This assessment is used to determine whether the company's business activities contribute positively or negatively to climate change.

- PAI 7, 8 and 9: Assessment of the impact of a company's business activities on the depletion of natural resources.

4. Through country analyses examining how countries preserve natural capital.

- PAI15: GHG intensity: the greenhouse gas intensity of a country's GDP is taken into account in one of the components of natural capital.

5. Through entity level engagement: In order to avoid and/or reduce adverse impacts on sustainability factors, Candriam also considers adverse impacts through its Enterprise-wide Engagement Programme, which includes dialogue with companies and the exercise of voting rights. Candriam prioritises engagement and voting activities based on an evaluation of the most significant and the most relevant ESG challenges faced by the sectors and the issuers, taking account of the financial, social and environmental impacts. Therefore, the level of engagement may vary from one issuer to another depending on Candriam's prioritising methodology.

The main themes of Candriam's engagement and voting practices are the energy transition, fair working conditions and business ethics. For example, in its dialogue and voting activities, Candriam takes into account PAI 1, 2 and 3 (GHG emissions, carbon footprint and GHG intensity), PAI 4 (exposure to fossil fuels), PAI 6 (energy consumption intensity by sector with high climate impact), PAI 10 (violations of the United Nations Global Compact Principles and the OECD Guidelines for Multinational Enterprises), as well as PAI 12 and PAI 13 (gender).

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

The investments in the portfolio undergo a normative analysis examining respect for international social, human, environmental and anti-corruption norms as defined in the UN Global Compact and the OECD Guidelines for Multinational Enterprises. The conventions of the International Labour Organisation and the International Bill of Human Rights are among the many international references embedded in the normative analysis and Candriam's ESG analysis framework.

The analysis seeks to exclude companies which have significantly and/or repeatedly breached one of these principles.

Additional information on how Candriam takes account of the "do no significant harm" principle can be found at the links mentioned at the end of this Appendix.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



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

- X** Yes, at the sub-fund level, as indicated in Annex I of the SFDR delegated Regulation supplementing Regulation (EU) 2019/2088, the Principal Adverse Impacts (PAIs) on sustainability factors are taken into account – as described in the Level 1 PAIs in the document entitled "Principal Adverse Impact at Product Level" – by one or more of the following means:

- Exclusions:

Through the exclusion of companies involved in controversial activities or through standard-based exclusions, Candriam takes the following into account:

1. Through the exclusion of companies involved in controversial activities and standards-based exclusions, which are based on an analysis of companies' compliance with international standards, Candriam takes account of:

- PAI 10: Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises.

- PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

1. Through the exclusion of countries considered to be systematically in breach of citizens' civil and political rights through Candriam's method of analysis and sovereign filtering:

- PAI 16: Investee countries subject to social violations.

- Engagement and voting:

In order to avoid and/or reduce adverse impacts on sustainability factors, the sub-fund also considers adverse impacts through its Entity-wide Engagement Programme, which includes dialogue with companies and the exercise of voting rights. Candriam prioritises its engagement and voting activities based on an evaluation of the most significant and the most relevant ESG challenges faced by the sectors and the issuers, taking account of the financial, social and environmental impacts. Therefore, the level of engagement may vary depending on the issuers and Candriam's prioritising methodology.

The main themes of Candriam's engagement and voting practices are the energy transition, fair working conditions and business ethics. For example, in its dialogue and voting activities, Candriam takes into account PAI 1, 2 and 3 (GHG emissions, carbon footprint and GHG intensity), PAI 4 (exposure to fossil fuels), PAI 6 (energy consumption intensity by sector with high climate impact), PAI 7 (activities having an adverse impact on biodiversity sensitive zones) PAI 10 (violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), as well as PAI 12 and PAI 13 (gender).

- Monitoring:

Monitoring includes calculating and assessing the main adverse impacts on sustainability factors, including reporting at the sub-fund level.

For funds using carbon footprint as a sustainability indicator, PAI 2 is covered by this monitoring approach. PAI 3 (GHG intensity of investee companies) is monitored for funds forming part of Candriam's commitment to the Net Zero Asset Manager initiative. In addition, PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 14 (Exposure to controversial weapons) and PAI 16 (Investee countries subject to social violations) are covered by the monitoring approach.

The indicators of specific principal adverse impacts taken into account depend on data quality and availability and may change as data quality and availability improves. If it is not possible to use a principal adverse impact indicator due to data limitations or other technical issues, the fund manager may use a representative replacement indicator.

More extensive information on the types of PAI considered can be found through the links provided at the end of this Annex (document entitled "Principal adverse impacts at product level").

No

## What investment strategy does this financial product follow?



The sub-fund has the separate or combined objectives of offering yields comparable to those of the money market or preserving the value of the investment. The objective of the sub-fund is to benefit from the performance of the market in money market instruments denominated primarily

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

in EUR, with a residual maturity of under 397 days or with an interest rate that is adjustable at least annually, issued principally by good-quality issuers, on the basis of discretionary management.

The investment strategy is applied according to a well-defined investment process and a rigorous risk framework. Adherence to these elements is subject to risk monitoring by Candriam.

Regarding the environmental and social aspects of the investment strategy, Candriam's proprietary ESG analysis (which produces ESG ratings and scores) and a normative controversy evaluation (including the controversial activity exclusion policy) are applied, making it possible to define the investable universe for the sub-fund.

Furthermore, Candriam's ESG analysis, which includes an analysis of the issuer's activities and its interaction with its main stakeholders, is an integral part of the financial management of the portfolio, enabling the asset manager to identify the risks as well as opportunities around the serious challenges of sustainable development.

As the management company, Candriam has established a monitoring framework as described in the sustainability risk management policy. Monitoring of the sub-fund's investment strategy risks seeks to ensure that the investments are aligned with and take account of environmental, social and governance indicators and the sustainability thresholds as explained above.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The investment strategy contains binding elements such as an exclusions policy comprising a normative filter as well as the exclusion of certain controversial activities as described in Candriam's Level 2A Exclusions Policy. Candriam's Level 2A Exclusions Policy is aimed at harmful activities that in Candriam's opinion have a substantial adverse impact and incur serious financial and sustainability risks. Exposure to these activities presents significant systemic and reputational risks for invested companies from economic, environmental and social points of view.

Furthermore, since climate change is the main sustainable development challenge to be taken up in the near future, Candriam's Level 2A exclusions policy takes account of this and focuses on environmental issues. The objective is to contribute to the fight against climate change by excluding activities that significantly harm the environment. We believe that supporting environmental sustainability in this way can also have positive repercussions on social issues.

Candriam's Level 2A Exclusions Policy applies to all investments made by Candriam by way of long positions in direct lines on private sector and sovereign issuers and derivative products on individual issuers.

Candriam's Level 2A Exclusions Policy excludes controversial activities linked to weapons, tobacco and thermal coal, and encourages third parties to do likewise. These activities engender significant systemic risks for society and the global economy.

Applying Candriam's Level 2A Exclusions Policy also implies excluding conventional weapons. This is in line with the approach of many sustainable investors and various standards which exclude this activity because of the negative nature of armaments that have often been used to breach human rights and have had devastating effects on human lives and the overall well-being of society. The difficulty in obtaining detailed information on end-users and end-uses of weapons is an additional factor justifying this exclusion.

Portfolios subject to Candriam's Level 2A Exclusions Policy also exclude gambling activities, as these activities may potentially be linked to illegal activities and corruption and could therefore engender reputational risks for Candriam and our clients. This reflects the concerns of many responsibility-oriented investors as well as some independent ESG executives.

The full list of activities excluded under Candriam's Level 2A Exclusions Policy and their respective thresholds and exclusion criteria are available through the links provided at the end of this Annex (document entitled "Candriam Level 2A Exclusions Policy").

In addition, the portfolio is constructed in order to achieve or to respect:

- the objective of the sustainability indicator described above,

- the defined minimum proportion of investments which have environmental and social characteristics,

- the defined minimum proportion of sustainable investments.

The sub-fund may temporarily deviate from these objectives, in the shareholders' best interests, for example in response to customer subscription and redemption movements, events affecting securities (maturity, exchanges, etc.), market effects, or if the asset manager considers it prudent to maintain a higher level of liquidity. Changes of external data may also require a period of adaptation. In this situation, the asset manager will aim to return to the predefined limits as soon as possible.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The sub-fund is subject to an exclusion policy comprising a normative filter as well as the exclusion of certain controversial activities. There is no committed minimum rate to reduce the investment universe prior to the application of the investment strategy

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

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

The company's governance is a core aspect of the stakeholder analysis performed by Candriam. It can be used to evaluate:

- 1) how a company interacts with and manages its stakeholders, and
- 2) how a company's board of directors discharges its governance and management functions regarding disclosure and transparency and regarding consideration of sustainability objectives.

In order to evaluate a company's governance practices specifically regarding the stability of the management structures, labour relations, staff remuneration and tax compliance as defined by the SFDR, Candriam's ESG analysis includes five key pillars of governance:

1. The strategic orientation, which evaluates the independence, expertise and composition of the board of directors and ensures that the board acts in the interests of all shareholders and other stakeholders and that it is able to act as an effective counterweight to management,
2. An audit committee and an evaluation of the independence of the auditors in order to avoid conflicts of interest,
3. Transparency around the remuneration of senior managers, enabling managers and the remuneration committee to be held to account by the shareholders, to align the interests of senior management with those of the shareholders, and to focus on long-term performance,
4. The share capital to ensure that all the shareholders have equal voting rights,
5. Financial conduct and transparency.

**What is the asset allocation planned for this financial product?**

The sub-fund seeks to invest at least 75% of its total net assets in investments which have environmental and social characteristics, of which a minimum of 20% of its total net assets will consist of sustainable investments. A maximum of 25% of the total net assets of the sub-fund may be allocated to other assets.

The investments which have environmental and social characteristics are investments which undergo Candriam's proprietary ESG analysis and are eligible on the basis of their ESG rating. In addition, these investments must respect Candriam's exclusion policy concerning controversial activities and the normative filter. The investments which have E/S characteristics must demonstrate good governance practices.

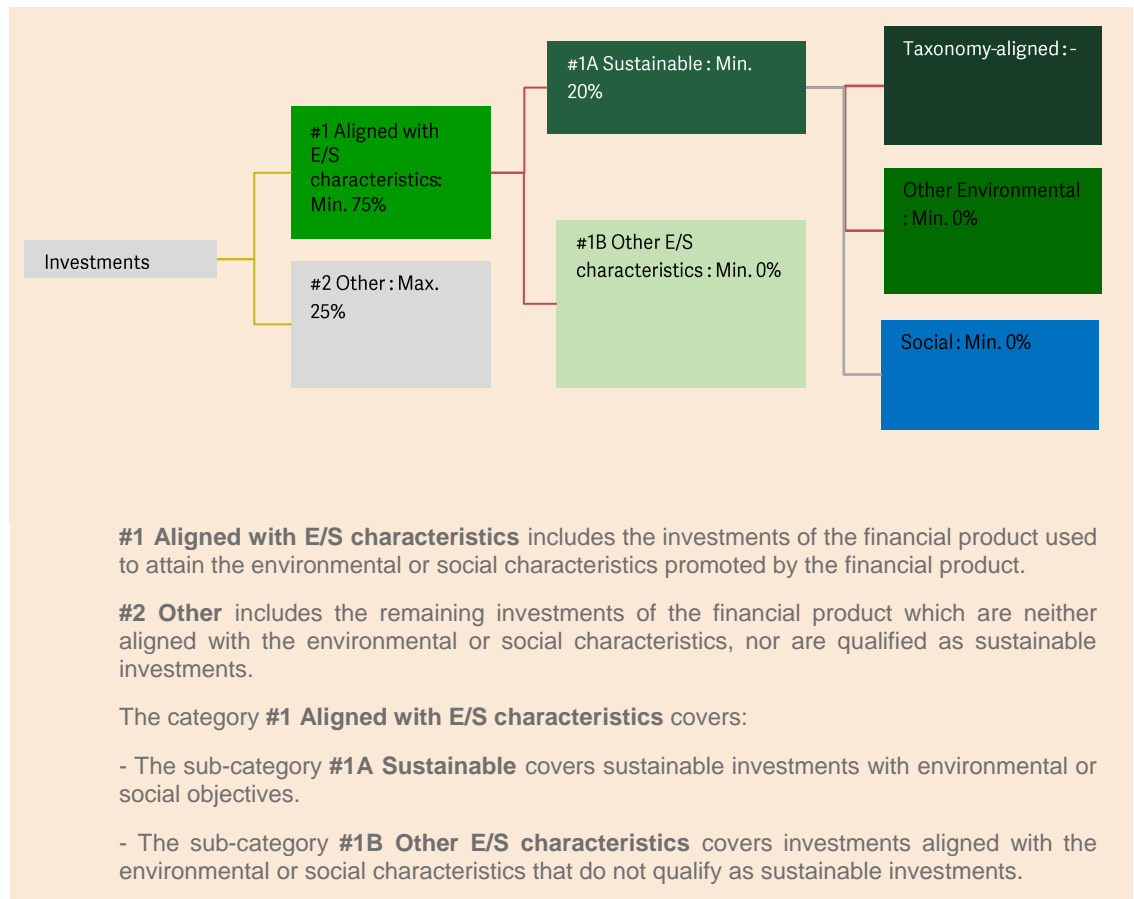
Sustainable investments are defined on the basis of Candriam's proprietary ESG analysis. An issuer which respects Candriam's exclusion filters is eligible as a sustainable investment on the basis of an ESG rating reflecting high sustainability standards.



**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The use of derivative products is not intended to achieve the environmental or social characteristics promoted by the sub-fund.



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

The EU Taxonomy Regulation establishes six distinct but interconnected environmental objectives. These environmental objectives are placed at the heart of Candriam's ESG research and analysis of issuers.

At the present time, however, only a small number of companies worldwide publish the necessary information for a rigorous evaluation of their alignment with the Taxonomy.

As a result, the sub-fund does not commit to a minimum Taxonomy alignment percentage, meaning that this percentage must be considered to be zero.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy ?<sup>1</sup>**

☐ Yes

☐ In fossil gas

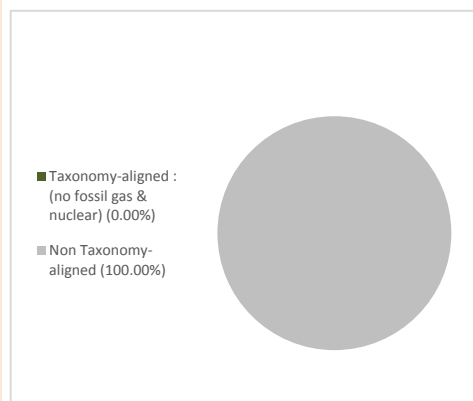
☐ In nuclear energy

☒ No

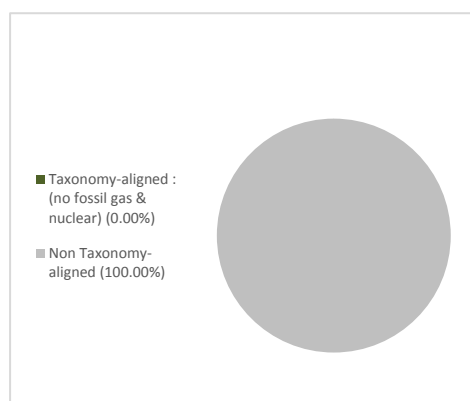
<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.**

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



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



This graph represents max. 100 % of the total investments.

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

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

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

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

No minimum proportion of investments in transitional and/or enabling activities has been fixed. However, Candriam's ESG research and analysis framework includes an evaluation of transitional and/or enabling activities and how they contribute to the sustainability objectives.



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

There is no hierarchy of environmental or social objectives and as a result, the strategy neither seeks nor commits to a specific minimum proportion of sustainable investments with an environmental objective.



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



### **What is the minimum share of socially sustainable investments?**

There is no hierarchy of environmental or social objectives and as a result, the strategy neither seeks nor commits to a specific minimum proportion of sustainable investments with a social objective.



## What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Investments in the “Others” category may be held in the sub-fund up to a maximum of 25% of the total net assets.

Such investments may be:

- cash: demand deposits, reverse repurchase transactions that are necessary in order to manage the liquidity of the Sub-fund following subscriptions/redemptions and/or resulting from the Sub-fund's market exposure decisions,
- other investments (including single name derivatives) which comply at least with good governance principles,
- Non single name derivatives may be used in the manner indicated in the Sub-fund's fact sheet.



## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***
- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***
- ***How does the designated index differ from a relevant broad market index?***
- ***Where can the methodology used for the calculation of the designated index be found?***



## Where can I find more product specific information online?

For more detailed information about the product, go to:

<https://www.candriam.com/en/private/sfdr/>

<https://www.candriam.com/en/professional/sfdr/>

Product name:

Legal entity identifier

Candriam Money Market - Euro AAA

549300FS6R2GS087GK33

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

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

## Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☐ ☐ Yes

☐ ☒ ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**: \_%

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20 % of sustainable investments

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective** \_%

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



**What environmental and/or social characteristics are promoted by this financial product?**

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

The sub-fund promotes environmental and social characteristics as follows:

- by seeking to avoid exposure to companies that present both significant and severe structural risks and that are seriously in breach of the normative principles, taking account of their practices with regard to environmental and social issues and of adherence to norms such as the UN Global Compact and the OECD Guidelines for Multinational Enterprises,
- by seeking to avoid exposure to companies that are significantly exposed to controversial activities such as the mining, transport or distribution of thermal coal, the production or retail of tobacco, and the production or sale of controversial weapons (anti-personnel mines, cluster bombs, chemical, biological, white phosphorus and or depleted uranium weapons),
- by seeking to support the energy transition with an energy mix favouring renewables and avoiding emitters which are highly exposed to especially polluting energy sources such as coal,

tar sands and shale gas/oil,

- by seeking to avoid exposure to countries considered to be oppressive regimes,
- by seeking to achieve a lower carbon footprint than an absolute threshold.

In addition to the above, Candriam's ESG research methodology is an integral part of the investment process. Finally, the sub-fund seeks to invest a minimum proportion of its assets in sustainable investments

No non-financial benchmark has been designated in order to achieve the environmental or social characteristics promoted by the sub-fund.

● ***What Sustainability Indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The sustainability indicators used in order to measure the achievement of environmental and social characteristics are the following:

- carbon footprint: the sub-fund seeks to achieve a carbon footprint for private issuers which is below an absolute threshold,
- steps to ensure that there are no investments in issuers seriously in breach of the normative principles, taking account of their practices with regard to environmental and social issues and of adherence to norms such as the UN Global Compact and the OECD Guidelines for Multinational Enterprises,
- steps to ensure that there are no investments in issuers exposed to controversial weapons,
- steps to ensure that there are no investments in issuers particularly exposed to the mining, transport or distribution of thermal coal,
- steps to ensure that there are no investments in issuers particularly exposed to the production and distribution of tobacco,
- steps to ensure that there are no investments in issuers significantly exposed to the production, manufacture, sale, testing or maintenance of conventional weapons and/or components/services which are critical for conventional weapons;
- steps to ensure that there are no investments in electricity-producing issuers which have new coal or nuclear projects, or which have a carbon intensity above a certain threshold;
- steps to ensure that there are no investments in issuers significantly exposed to non-conventional oil and gas, nor in issuers exposed to conventional oil and gas for which a significant portion of revenues does not originate from natural gas and renewable energies,
- steps to ensure that there are no investments in issuers significantly exposed to gambling activities, directly or indirectly,
- steps to ensure that there are no investments in issuers significantly exposed to nuclear energy,
- steps to ensure that there are no investments in issuers producing, distributing and purchasing palm oil which are not members of the Roundtable on Sustainable Palm Oil and which are significantly exposed non-RSPO-certified palm oil, and which do not have a deforestation policy,
- steps to ensure that there are no investments in issuers directly involved in the extraction and smelting of metals and minerals which have not implemented relevant ESG risk management systems, in accordance with recognised international standards such as the UN Guiding Principles, Voluntary Principles on Security and Human Rights and the OECD Guidelines,
- steps to ensure that there is no investment in the debt of sovereign and quasi-sovereign issuers on Candriam's list of oppressive regimes.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The sustainable investments which the sub-fund intends to make for part of the portfolio aim to contribute to a reduction in greenhouse gas emissions by means of exclusions

and the use of climate indicators in the analysis of companies, and they aim to have a positive environmental and social impact in the long term.

Concerning sustainable investments with environmental objectives, the sub-fund, through its sustainable investments defined by Candriam's proprietary ESG analysis, may over the long-term contribute to one or more of the following environmental objectives as set out in Article 9 of Regulation (EU) 2020/852:

- a) climate change mitigation,
- b) climate change adaptation,
- c) the sustainable use and protection of water and marine resources,
- d) the transition to a circular economy,
- e) pollution prevention and control.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The sustainable investments which the financial product makes do no significant harm to any sustainable environmental or social investment objectives, to the extent that Candriam takes account of the principal adverse impacts and aims for alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, through the framework of its ESG ratings and its exclusions policy on controversial activities and normative policy.

Companies that contribute negatively to environmental and/or social sustainable investment objectives and that consequently do significant harm to these objectives through their adverse impacts will consequently tend to be allocated a poor score under Candriam's ESG rating system. It is therefore highly likely that they be excluded from the eligible investment universe.

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

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

For these sustainable investments realised partially by the sub-fund, indicators of the principal adverse impacts on sustainability factors were considered using Candriam's ESG rating framework, exclusions from controversial activities and exclusions based on standards.

For example:

1. Through the exclusion of companies involved in controversial activities and standards-based exclusions, which are based on an analysis of companies' compliance with international standards, Candriam takes account of the following principal adverse impacts (PAIs):

- PAI 3, 4 and 5: Exclusion of companies with significant exposure to conventional and non-conventional fossil fuel activities and/or non-renewable energy production. For PAIs 4 and 5, Candriam applies thresholds when taking account of exposure to these activities.
- PAI 7: Activities adversely impacting biodiversity sensitive areas. For example, Candriam excludes companies involved in palm oil (thresholds based on palm oil not certified by the RSPO).
- PAI 10: Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises.
- PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

2. Through the exclusion of countries considered to be systematically in breach of citizens' civil and political rights through Candriam's method of analysis and sovereign filtering:

- PAI 16: Investee countries subject to social violations.

3. By analysing the contribution of a company's business activities to the main sustainability challenges of climate change and resource depletion, Candriam takes account of the following principal adverse impacts:

- PAI 1, 2, 3, 4, 5 and 6: By assessing the main sustainability challenges of climate change, Candriam analyses a company's exposure to climate risks as well as the intensity of GHG emissions generated by their business activities. This assessment is used to determine whether the company's business activities contribute positively or negatively to climate change.

- PAI 7, 8 and 9: Assessment of the impact of a company's business activities on the depletion of natural resources.

4. Through country analyses examining how countries preserve natural capital.

- PAI15: GHG intensity: the greenhouse gas intensity of a country's GDP is taken into account in one of the components of natural capital.

5. Through entity level engagement: In order to avoid and/or reduce adverse impacts on sustainability factors, Candriam also considers adverse impacts through its Enterprise-wide Engagement Programme, which includes dialogue with companies and the exercise of voting rights. Candriam prioritises engagement and voting activities based on an evaluation of the most significant and the most relevant ESG challenges faced by the sectors and the issuers, taking account of the financial, social and environmental impacts. Therefore, the level of engagement may vary from one issuer to another depending on Candriam's prioritising methodology.

The main themes of Candriam's engagement and voting practices are the energy transition, fair working conditions and business ethics. For example, in its dialogue and voting activities, Candriam takes into account PAI 1, 2 and 3 (GHG emissions, carbon footprint and GHG intensity), PAI 4 (exposure to fossil fuels), PAI 6 (energy consumption intensity by sector with high climate impact), PAI 10 (violations of the United Nations Global Compact Principles and the OECD Guidelines for Multinational Enterprises), as well as PAI 12 and PAI 13 (gender).

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

The investments in the portfolio undergo a normative analysis examining respect for international social, human, environmental and anti-corruption norms as defined in the UN Global Compact and the OECD Guidelines for Multinational Enterprises. The conventions of the International Labour Organisation and the International Bill of Human Rights are among the many international references embedded in the normative analysis and Candriam's ESG analysis framework.

The analysis seeks to exclude companies which have significantly and/or repeatedly breached one of these principles.

Additional information on how Candriam takes account of the "do no significant harm" principle can be found at the links mentioned at the end of this Appendix.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



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

- X** Yes, at the sub-fund level, as indicated in Annex I of the SFDR delegated Regulation supplementing Regulation (EU) 2019/2088, the Principal Adverse Impacts (PAIs) on sustainability factors are taken into account – as described in the Level 1 PAIs in the document entitled "Principal Adverse Impact at Product Level" – by one or more of the following means:

- Exclusions:

Through the exclusion of companies involved in controversial activities or through standard-based exclusions, Candriam takes the following into account:

1. Through the exclusion of companies involved in controversial activities and standards-based exclusions, which are based on an analysis of companies' compliance with international standards, Candriam takes account of:

- PAI 10: Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises.

- PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

1. Through the exclusion of countries considered to be systematically in breach of citizens' civil and political rights through Candriam's method of analysis and sovereign filtering:

- PAI 16: Investee countries subject to social violations.

- Engagement and voting:

In order to avoid and/or reduce adverse impacts on sustainability factors, the sub-fund also considers adverse impacts through its Entity-wide Engagement Programme, which includes dialogue with companies and the exercise of voting rights. Candriam prioritises its engagement and voting activities based on an evaluation of the most significant and the most relevant ESG challenges faced by the sectors and the issuers, taking account of the financial, social and environmental impacts. Therefore, the level of engagement may vary depending on the issuers and Candriam's prioritising methodology.

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- Monitoring:

Monitoring includes calculating and assessing the main adverse impacts on sustainability factors, including reporting at the sub-fund level.

For funds using carbon footprint as a sustainability indicator, PAI 2 is covered by this monitoring approach. PAI 3 (GHG intensity of investee companies) is monitored for funds forming part of Candriam's commitment to the Net Zero Asset Manager initiative. In addition, PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 14 (Exposure to controversial weapons) and PAI 16 (Investee countries subject to social violations) are covered by the monitoring approach.

The indicators of specific principal adverse impacts taken into account depend on data quality and availability and may change as data quality and availability improves. If it is not possible to use a principal adverse impact indicator due to data limitations or other technical issues, the fund manager may use a representative replacement indicator.

More extensive information on the types of PAI considered can be found through the links provided at the end of this Annex (document entitled "Principal adverse impacts at product level").

☐ No

## What investment strategy does this financial product follow?



The sub-fund has the separate or combined objectives of offering yields comparable to those of the money market or preserving the value of the investment. The objective of the sub-fund is to benefit from the performance of the market in money market instruments denominated primarily

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

in EUR, with a residual maturity of under 397 days or with an interest rate that is adjustable at least annually, issued principally by good-quality issuers, on the basis of discretionary management.

The sub-fund seeks to maintain an AAA rating issued by a rating agency and financed by the sub-fund.

The investment strategy is applied according to a well-defined investment process and a rigorous risk framework. Adherence to these elements is subject to risk monitoring by Candriam.

Regarding the environmental and social aspects of the investment strategy, Candriam's proprietary ESG analysis (which produces ESG ratings and scores) and a normative controversy evaluation (including the controversial activity exclusion policy) are applied, making it possible to define the investable universe for the sub-fund.

Furthermore, Candriam's ESG analysis, which includes an analysis of the issuer's activities and its interaction with its main stakeholders, is an integral part of the financial management of the portfolio, enabling the asset manager to identify the risks as well as opportunities around the serious challenges of sustainable development.

As the management company, Candriam has established a monitoring framework as described in the sustainability risk management policy. Monitoring of the sub-fund's investment strategy risks seeks to ensure that the investments are aligned with and take account of environmental, social and governance indicators and the sustainability thresholds as explained above.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The investment strategy contains binding elements such as an exclusions policy comprising a normative filter as well as the exclusion of certain controversial activities as described in Candriam's Level 2A Exclusions Policy. Candriam's Level 2A Exclusions Policy is aimed at harmful activities that in Candriam's opinion have a substantial adverse impact and incur serious financial and sustainability risks. Exposure to these activities presents significant systemic and reputational risks for invested companies from economic, environmental and social points of view.

Furthermore, since climate change is the main sustainable development challenge to be taken up in the near future, Candriam's Level 2A exclusions policy takes account of this and focuses on environmental issues. The objective is to contribute to the fight against climate change by excluding activities that significantly harm the environment. We believe that supporting environmental sustainability in this way can also have positive repercussions on social issues.

Candriam's Level 2A Exclusions Policy applies to all investments made by Candriam by way of long positions in direct lines on private sector and sovereign issuers and derivative products on individual issuers.

Candriam's Level 2A Exclusions Policy excludes controversial activities linked to weapons, tobacco and thermal coal, and encourages third parties to do likewise. These activities engender significant systemic risks for society and the global economy.

Applying Candriam's Level 2A Exclusions Policy also implies excluding conventional weapons. This is in line with the approach of many sustainable investors and various standards which exclude this activity because of the negative nature of armaments that have often been used to breach human rights and have had devastating effects on human lives and the overall well-being of society. The difficulty in obtaining detailed information on end-users and end-uses of weapons is an additional factor justifying this exclusion.

Portfolios subject to Candriam's Level 2A Exclusions Policy also exclude gambling activities, as these activities may potentially be linked to illegal activities and corruption and could therefore engender reputational risks for Candriam and our clients. This reflects the concerns of many responsibility-oriented investors as well as some independent ESG executives.

The full list of activities excluded under Candriam's Level 2A Exclusions Policy and their respective thresholds and exclusion criteria are available through the links provided at the end of this Annex (document entitled "Candriam Level 2A Exclusions Policy").

In addition, the portfolio is constructed in order to achieve or to respect:

- the objective of the sustainability indicator described above,
- the defined minimum proportion of investments which have environmental and social characteristics,
- the defined minimum proportion of sustainable investments.

The sub-fund may temporarily deviate from these objectives, in the shareholders' best interests, for example in response to customer subscription and redemption movements, events affecting securities (maturity, exchanges, etc.), market effects, or if the asset manager considers it prudent to maintain a higher level of liquidity. Changes of external data may also require a period of adaptation. In this situation, the asset manager will aim to return to the predefined limits as soon as possible.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The sub-fund is subject to an exclusion policy comprising a normative filter as well as the exclusion of certain controversial activities. There is no committed minimum rate to reduce the investment universe prior to the application of the investment strategy

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

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

The company's governance is a core aspect of the stakeholder analysis performed by Candriam. It can be used to evaluate:

- 1) how a company interacts with and manages its stakeholders, and
- 2) how a company's board of directors discharges its governance and management functions regarding disclosure and transparency and regarding consideration of sustainability objectives.

In order to evaluate a company's governance practices specifically regarding the stability of the management structures, labour relations, staff remuneration and tax compliance as defined by the SFDR, Candriam's ESG analysis includes five key pillars of governance:

1. The strategic orientation, which evaluates the independence, expertise and composition of the board of directors and ensures that the board acts in the interests of all shareholders and other stakeholders and that it is able to act as an effective counterweight to management,
2. An audit committee and an evaluation of the independence of the auditors in order to avoid conflicts of interest,
3. Transparency around the remuneration of senior managers, enabling managers and the remuneration committee to be held to account by the shareholders, to align the interests of senior management with those of the shareholders, and to focus on long-term performance,
4. The share capital to ensure that all the shareholders have equal voting rights,
5. Financial conduct and transparency.

## **What is the asset allocation planned for this financial product?**



**Asset allocation** describes the share of investments in specific assets.

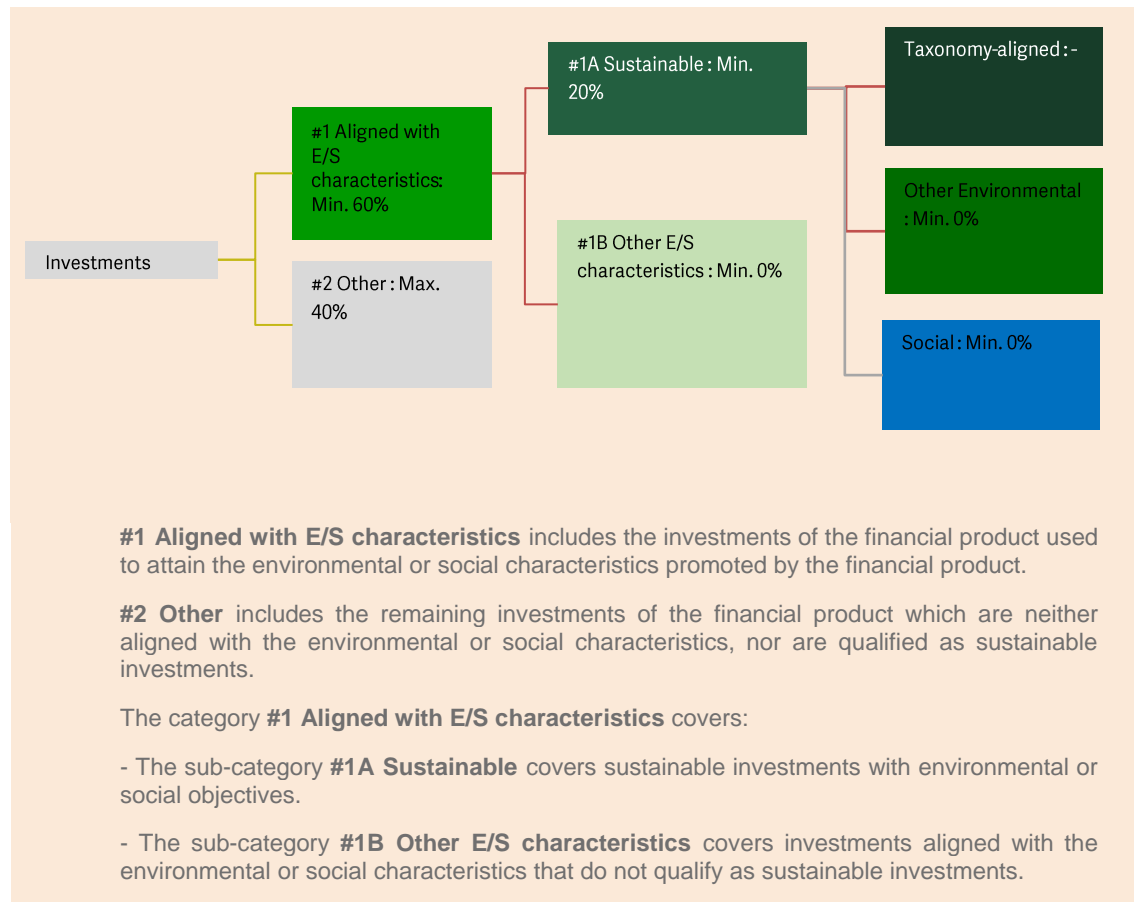
The sub-fund seeks to invest at least 60% of its total net assets in investments which have environmental and social characteristics, of which a minimum of 20% of its total net assets will consist of sustainable investments. A maximum of 40% of the total net assets of the sub-fund may be allocated to other assets.

The investments which have environmental and social characteristics are investments which undergo Candriam's proprietary ESG analysis and are eligible on the basis of their ESG rating. In addition, these investments must respect Candriam's exclusion policy concerning controversial activities and the normative filter. The investments which have E/S characteristics must demonstrate good governance practices.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

Sustainable investments are defined on the basis of Candriam's proprietary ESG analysis. An issuer which respects Candriam's exclusion filters is eligible as a sustainable investment on the basis of an ESG rating reflecting high sustainability standards.



### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The use of derivative products is not intended to achieve the environmental or social characteristics promoted by the sub-fund.



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

The EU Taxonomy Regulation establishes six distinct but interconnected environmental objectives. These environmental objectives are placed at the heart of Candriam's ESG research and analysis of issuers.

At the present time, however, only a small number of companies worldwide publish the necessary information for a rigorous evaluation of their alignment with the Taxonomy.

As a result, the sub-fund does not commit to a minimum Taxonomy alignment percentage, meaning that this percentage must be considered to be zero.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy ?<sup>1</sup>**

☐

Yes

☐

In fossil gas

☐

In nuclear energy

☒

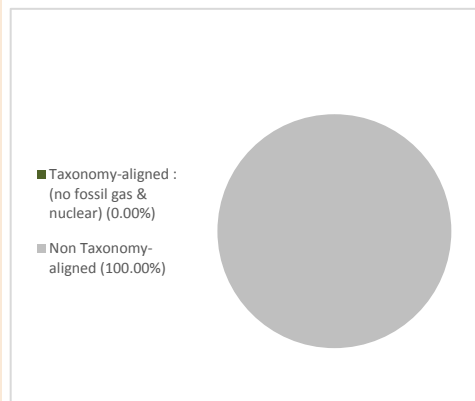
No

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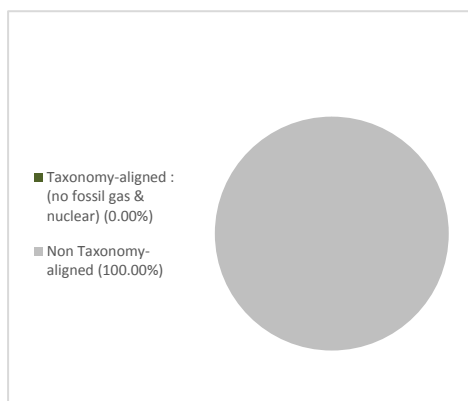
<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.**

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



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



This graph represents max. 100 % of the total investments.

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

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

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

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

No minimum proportion of investments in transitional and/or enabling activities has been fixed. However, Candriam's ESG research and analysis framework includes an evaluation of transitional and/or enabling activities and how they contribute to the sustainability objectives.



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

There is no hierarchy of environmental or social objectives and as a result, the strategy neither seeks nor commits to a specific minimum proportion of sustainable investments with an environmental objective.



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



### **What is the minimum share of socially sustainable investments?**

There is no hierarchy of environmental or social objectives and as a result, the strategy neither seeks nor commits to a specific minimum proportion of sustainable investments with a social objective.



## What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Investments in the “Others” category may be held in the sub-fund up to a maximum of 40% of the total net assets.

Such investments may be:

- cash: demand deposits, reverse repurchase transactions that are necessary in order to manage the liquidity of the Sub-fund following subscriptions/redemptions and/or resulting from the Sub-fund's market exposure decisions,
- other investments (including single name derivatives) which comply at least with good governance principles,
- Non single name derivatives may be used in the manner indicated in the Sub-fund's fact sheet.



## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***
- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***
- ***How does the designated index differ from a relevant broad market index?***
- ***Where can the methodology used for the calculation of the designated index be found?***



## Where can I find more product specific information online?

For more detailed information about the product, go to:

<https://www.candriam.com/en/private/sfdr/>

<https://www.candriam.com/en/professional/sfdr/>

Product name:

Legal entity identifier

Candriam Money Market - USD Sustainable

549300XB8357GSWRMM36

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

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

## Sustainable investment objective

### Does this financial product have a sustainable investment objective?

☒ ☒ ☒ **Yes**

☐ ☐ ☐ **No**

☒ It will make a minimum of **sustainable investments with an environmental objective**: 0%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ It will make a minimum of **sustainable investments with a social objective** 0%

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



### What is the sustainable investment objective of this financial product?

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

The sub-fund aims to contribute to a reduction in greenhouse gas emissions by means of specific objectives and by using climate-related indicators in the analysis of issuers and securities, and aims to have a positive impact on environmental and social aspects in the long term.

Concerning sustainable investments with environmental objectives, the sub-fund, through its sustainable investments defined by Candriam's proprietary ESG analysis, seeks over the long-term to contribute to one or more of the following environmental objectives as set out in Article 9 of Regulation (EU) 2020/852:

- a) climate change mitigation,
- b) climate change adaptation,

- c) the sustainable use and protection of water and marine resources,
- d) the transition to a circular economy,
- e) pollution prevention and control.

A benchmark has not been designated in order to achieve the sub-fund's sustainable investment objective.

The sub-fund's benchmark cannot be considered to be an EU "climate transition" benchmark nor a "Paris-aligned" benchmark as defined in title III chapter 3a of Regulation (EU) 2016/1011.

However, the sub-fund's objective is a carbon footprint that is below a set absolute threshold.

Furthermore, to the extent that Candriam is a member of the Net Zero Asset Management Initiative, the sub-fund seeks to reduce greenhouse gas emissions.

### ● ***What Sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?***

Achievement of the sustainability objectives is measured by means of the following sustainability indicators:

- Carbon footprint: the sub-fund's objective is a carbon footprint that is below a set absolute threshold,
- ESG score: the sub-fund seeks to achieve a weighted average ESG score (including sovereign and corporate issuers) higher than 50 (on a scale from 0 to 100), based on Candriam's proprietary ESG analysis.

The following indicators are also tracked in order to:

- ensure that there are no investments in issuers in breach of the OECD Guidelines for Multinational Enterprises and the UN Global Compact,
- ensure that there are no investments in issuers contained in Candriam's SRI exclusion list following application of Candriam's exclusion policy,
- ensure that there are no sovereign investments contained in Candriam's list of oppressive regimes,
- ensure that there are no sovereign investments in countries considered "not free" by Freedom House.

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

The sustainable investments which the financial product makes do no significant harm to any sustainable environmental or social investment objectives, to the extent that Candriam takes account of the principal adverse impacts and aims for alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, through the framework of its ESG ratings and its exclusions policy on controversial activities and normative policy.

Companies that contribute negatively to environmental and/or social sustainable investment objectives and that consequently do significant harm to these objectives through their adverse impacts will consequently tend to be allocated a poor score under Candriam's ESG rating system. It is therefore highly likely that they be excluded from the eligible investment universe.

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

#### — → ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

Indicators of the principal adverse impacts on sustainability factors were considered using Candriam's ESG rating framework, exclusions from controversial activities and exclusions based on standards.

For example:

1. Through the exclusion of companies involved in controversial activities and through standards-based exclusions, which are based on an analysis of companies' compliance with international standards, Candriam takes account of the following principal adverse impacts (PAIs):

- PAI 3, 4 and 5: Exclusion of companies with significant exposure to conventional and non-conventional fossil fuel activities and/or non-renewable energy production. For PAIs 4 and 5, Candriam applies thresholds when taking account of exposure to these activities.
- PAI 7: Activities adversely impacting biodiversity sensitive areas. For example, Candriam excludes companies involved in palm oil (thresholds based on palm oil not certified by the RSPO).
- PAI 10: Breaches of UN Global Compact principles and the OECD Guidelines for Multinational Enterprises.
- PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

2. Through exclusions of countries found guilty of systematic breaches of citizens' civil and political rights through Candriam's method of analysing and filtering sovereign issuers.

- PAI 16: Investment countries experiencing breaches of social norms.

3. By analysing the contribution of a company's business activities to the main sustainability challenges of climate change and resource depletion, Candriam takes account of the following principal adverse impacts:

- PAI 1, 2, 3, 4, 5 and 6: By assessing the main sustainability challenges of climate change, Candriam analyses a company's exposure to climate risks as well as the intensity of GHG emissions generated by their business activities. This assessment is used to determine whether the company's business activities contribute positively or negatively to climate change.
- PAI 7, 8 and 9: Assessment of the impact of a company's business activities on the depletion of natural resources.

4. Through analyses of how countries preserve natural capital.

- PAI 15: GHG intensity: the greenhouse gas intensity of a country's GDP is taken into account in one of the components of natural capital.

5. Through entity level engagement: In order to avoid and/or reduce adverse impacts on sustainability factors, Candriam also considers adverse impacts through its Enterprise-wide Engagement Programme, which includes dialogue with companies and the exercise of voting rights. Candriam prioritises engagement and voting activities based on an evaluation of the most significant and the most relevant ESG challenges faced by the sectors and the issuers, taking account of the financial, social and environmental impacts. Therefore, the level of engagement may vary from one issuer to another depending on Candriam's prioritising methodology.

The main themes of Candriam's engagement and voting practices are the energy transition, fair working conditions and business ethics. For example, in its dialogue and voting activities, Candriam takes into account PAI 1, 2 and 3 (GHG emissions, carbon footprint and GHG intensity), PAI 4 (exposure to fossil fuels), PAI 6 (energy consumption intensity by sector with high climate impact), PAI 10 (violations of the United Nations Global Compact Principles and the OECD Guidelines for Multinational Enterprises), as well as PAI 12 and PAI 13 (gender).

#### — → *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The investments in the portfolio undergo a normative analysis examining respect for international social, human, environmental and anti-corruption norms as defined in the UN Global Compact and the OECD Guidelines for Multinational Enterprises. The conventions of the International Labour Organisation and the International Bill of Human Rights are among the many international references embedded in the normative analysis and Candriam's ESG analysis framework.

The analysis seeks to exclude companies which have significantly and/or repeatedly breached one of these principles.

Additional information on how Candriam takes account of the "do no significant harm" principle can be found at the links mentioned at the end of this Appendix.



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

**X** Yes, at sub-fund level, as indicated in Annex I of the SFDR delegated Regulation supplementing Regulation (EU) 2019/2088, the Principal Adverse Impacts (PAIs) on sustainability factors are taken into account – as described in Candriam's Level II Product Statement of principal adverse impacts – by one or more of the following means:

- Exclusions:

Through the exclusion of companies involved in controversial activities or through standard-based exclusions, Candriam takes the following into account:

1. Through the exclusion of companies involved in controversial activities and standards-based exclusions, which are based on an analysis of companies' compliance with international standards, Candriam takes account of the following principal adverse impacts (PAIs):

- PAI 3, 4 and 5: Exclusion of companies with significant exposure to conventional and non-conventional fossil fuel activities and/or non-renewable energy production. For PAIs 4 and 5, Candriam applies thresholds when taking account of exposure to these activities.

- PAI 7: Activities adversely impacting biodiversity sensitive areas. For example, Candriam excludes companies involved in palm oil (thresholds based on palm oil not certified by the RSPO).

- PAI 10: Breaches of UN Global Compact principles and the OECD Guidelines for Multinational Enterprises.

- PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

2. Through exclusions of countries found guilty of systematic breaches of citizens' civil and political rights through Candriam's method of analysing and filtering sovereign issuers:

- PAI 16: Investment countries experiencing breaches of social norms.

- Engagement and voting:

In order to avoid and/or reduce adverse impacts on sustainability factors, the sub-fund also considers adverse impacts through its Entity-wide Engagement Programme, which includes dialogue with companies and the exercise of voting rights. Candriam prioritises its engagement and voting activities based on an evaluation of the most significant and the most relevant ESG challenges faced by the sectors and the issuers, taking account of the financial, social and environmental impacts. Therefore, the level of engagement may vary depending on the issuers and Candriam's prioritising methodology.

The main themes of Candriam's engagement and voting practices are the energy transition, fair working conditions and business ethics. For example, in its dialogue and voting activities, Candriam takes into account PAI 1, 2 and 3 (GHG emissions, carbon footprint and GHG intensity), PAI 4 (exposure to fossil fuels), PAI 6 (energy consumption intensity by sector with high climate impact), PAI 7 (activities having an adverse impact on biodiversity sensitive zones) PAI 10 (breaches of the United Nations Global Compact Principles and the OECD Guidelines for Multinational Enterprises), as well as PAI 12 and PAI 13 (gender).

- Monitoring:

Monitoring includes calculating and assessing the main adverse impacts on sustainability factors, including reporting at the sub-fund level. Certain principal adverse impact indicators may have explicit objectives and be used to measure achievement of the sub-fund's sustainable investment objective. All principal adverse impacts that take into account GHG emissions, carbon footprint and intensity (PAI 1 to 4)) are tracked as well as PAI 10 (Breaches of the UN Global Compact Principles and the OECD Guidelines for Multinational Enterprises), PAI 13 (mixed governance bodies), PAI 14 (exposure to controversial weapons) and PAIs 15 and 16 on social breaches and GHG intensity of sovereign issuers.

The indicators of specific principal adverse impacts taken into account depend on data quality and availability and may change as data quality and availability improves. If it is not possible to use a principal adverse impact indicator due to data limitations or other technical issues, the fund manager may use a representative replacement indicator.

More information on the types of PAI indicators used can be found at the links provided at the end of this Appendix (document entitled “Principal adverse impacts taken into account at product level”).

No



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

## What investment strategy does this financial product follow?

The sub-fund has the separate or combined objectives of offering yields comparable to those of the money market or preserving the value of the investment. The objective of the sub-fund is to benefit from the performance of the market in money market instruments denominated primarily in USD, with a residual maturity of under 397 days or with an interest rate that is adjustable at least annually, issued principally by good-quality issuers, on the basis of discretionary management.

The investment strategy is applied according to a well-defined investment process and a rigorous risk framework. Adherence to these elements is subject to risk monitoring by Candriam.

Regarding the environmental and social aspects of the investment strategy, Candriam's proprietary ESG analysis (which produces ESG ratings and scores) and a normative controversy evaluation (including the controversial activity exclusion policy) are applied, making it possible to define the investable universe for the sub-fund.

Furthermore, Candriam's ESG analysis, which includes an analysis of an issuer's activities and its interaction with its main stakeholders, is an integral part of the financial management of the portfolio, enabling the asset manager to identify the risks as well as opportunities around the serious challenges of sustainable development.

As the management company, Candriam has established a monitoring framework as described in the sustainability risk management policy. Monitoring of the sub-fund's investment strategy risks seeks to ensure that the investments are aligned with and take account of environmental, social and governance indicators and the sustainability thresholds as explained above.

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

The binding elements of the investment strategy used to select investments with the aim of achieving the sustainable investment objectives are based on Candriam's ESG analysis and the resulting framework of ESG ratings and scores.

The analysis produces ESG ratings and scores which determine the eligibility of issuers and which act as binding elements in the selection of issuers for sustainable investments.

Negative filtering of issuers is also applied, consisting of a normative controversy evaluation and an exclusion of issuers involved in controversial activities as described in Candriam's exclusion policy. Candriam's Level 3 SRI Exclusions Policy uses a wide range of excluded activities to address environmental and social questions. These activities involve risks for the environment, our health, human rights and other environmental and social objectives.

Candriam's Level 3 SRI Exclusions Policy applies to all investments made by Candriam by way of long positions in direct lines on private sector and sovereign issuers and derivative products on individual issuers.

The policy is aimed at harmful activities that in Candriam's opinion have a substantial adverse impact and involve serious financial and sustainability risks. Exposure to these activities presents significant systemic and reputational risks for invested companies from economic, environmental and social points of view.

Candriam's Level 3 SRI Exclusions Policy excludes controversial activities linked to weapons, tobacco and thermal coal, and encourages third parties to do likewise. In addition, the Level 3 SRI Exclusions Policy takes account of the fact that climate change is the biggest sustainability challenge of the near future, and it therefore emphasises the environmental questions. The objective is to contribute to the fight against climate change by excluding activities that significantly harm the environment. We believe that

supporting environmental sustainability in this way can also have positive repercussions for the social questions. The exclusion of these activities is part of a broader greenhouse gas reduction framework which is necessary to prevent the temperature of the planet rising two degrees Celsius above pre-industrial levels. Candriam has taken steps to lower its exposure to climate risks by reducing its exposure to corporate activities that generate the most greenhouse gases. In particular, these are oil, gas and mining activities. In line with this approach, Candriam is a signatory to the Net Zero Asset Managers initiative.

Candriam's Level 3 SRI Exclusions Policy also targets a number of activities which, with the gradual rise of ESG investment, are no longer considered suitable by numerous sustainable and responsible investors due to their potential repercussions on the well-being of humans, society and animals. Examples include adult content, conventional weapons, alcohol, gambling, GMOs, nuclear energy, palm oil and animal experimentation.

The full list of activities excluded by virtue of Candriam's Level 3 SRI Exclusions Policy and their respective thresholds and exclusion criteria are available through the links provided at the end of this Annex (document entitled "Candriam Level 3 SRI Exclusions Policy").

Finally, the sub-fund's investment strategy has other sustainability-related binding elements. It seeks to have:

- a minimum proportion of sustainable investments,
- carbon footprint: the sub-fund's objective is a carbon footprint that is below a set absolute threshold,
- ESG score: the sub-fund seeks to achieve a weighted average ESG score (including sovereign and corporate issuers) higher than 50 (on a scale from 0 to 100), based on Candriam's proprietary ESG analysis.

The sub-fund may temporarily deviate from these objectives, in the shareholders' best interests, for example in response to customer subscription and redemption movements, events affecting securities (maturity, exchanges, etc.), market effects, or if the asset manager considers it prudent to maintain a higher level of liquidity. Changes of external data may also require a period of adaptation. In this situation, the asset manager will aim to return to the predefined limits as soon as possible.

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

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

The company's governance is a core aspect of the stakeholder analysis performed by Candriam. It can be used to evaluate:

- 1) how a company interacts with and manages its stakeholders, and
- 2) how a company's board of directors discharges its governance and management functions regarding disclosure and transparency and regarding consideration of sustainability objectives.

In order to evaluate a company's governance practices specifically regarding the stability of the management structures, labour relations, staff remuneration and tax compliance as defined by the SFDR, Candriam's ESG analysis includes five key pillars of governance:

1. The strategic orientation, which evaluates the independence, expertise and composition of the board of directors and ensures that the board acts in the interests of all shareholders and other stakeholders and that it is able to act as an effective counterweight to management,
2. An audit committee and an evaluation of the independence of the auditors in order to avoid conflicts of interest,
3. Transparency around the remuneration of senior managers, enabling managers and the remuneration committee to be held to account by the shareholders, to align the interests of senior management with those of the shareholders, and to focus on long-term performance,
4. The share capital to ensure that all the shareholders have equal voting rights,
5. Financial conduct and transparency.



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

**Asset allocation** describes the share of investments in specific assets.

At least 80% of the net total assets of the sub-fund are considered to be sustainable as defined by the SDFR.

Note that the percentage of sustainable investments may go up or down over time depending on the regulatory technical standards concerning the treatment of sovereign debt.

Sustainable investments are defined on the basis of Candriam's proprietary ESG analysis.

With Candriam's proprietary ESG research and analysis, including its ESG rating framework, it is possible to define clear requirements and minimum thresholds in order to identify companies considered to be "sustainable investments". Candriam ensures that these companies:

- are involved in economic activities which contribute to an environmental objective or to a social objective,
- do no significant harm to any of the environmental and/or social sustainable investment objectives and in particular respect minimum guarantees,
- respect the principles of good governance.

With Candriam's ESG research and analysis, it is possible to determine and evaluate the company's capacity to contribute to the environmental and/or social sustainable objectives. As such, in order to determine whether a company is a sustainable company that respects the requirements and the philosophy set out in the SDFR, Candriam:

- applies company exclusion filters based on a normative analysis and on an analysis of controversial activities. These measures contain minimum guarantees regarding international norms and conventions and make it possible to exclude activities considered by Candriam to be harmful to the environmental and/or social sustainability objectives,
- applies and embeds the ESG research and analysis as a core component of its evaluation of the sustainability of issuers. This allows Candriam to identify and evaluate sustainability risks and opportunities and the contributions of issuers to sustainability objectives.

Following Candriam's ESG research and analysis, each issuer is given:

- a commercial activity score that evaluates how an issuer's commercial activities contribute to the main sustainability challenges, and
- a stakeholder score that evaluates how an issuer interacts with and manages its main stakeholders.

Together, these scores make up a global ESG score and an ESG rating for each issuer.

An issuer which respects Candriam's exclusion filters is considered to be a sustainable investment on the basis of its ESG rating. For more details about this methodology and this definition, please see the Candriam website.

With Candriam's proprietary ESG research and analysis, including its ESG rating framework, it is possible to define clear requirements and minimum thresholds in order to identify issuers considered to be "sustainable investments".

A sovereign issuer is considered to be a sustainable investment if its country:

- is not considered to be oppressive according to Candriam's analysis of oppressive regimes,
- is not identified as "not free" by Freedom House, and
- ranks top of Candriam's four sustainable development capitals: natural capital, human capital, social capital and economic capital.

Details regarding this methodology and definition can be found via the links at the end of this Appendix.

A supranational issuer is considered to be a sustainable investment if its mission makes a positive contribution to the economic and social development of the regions and countries, if it respects the principles of sustainable development, and if it is not in serious, systematic breach of the principles of the UN Global Compact, according to an analysis based on Candriam's norms.

Please note that these definitions of the sovereign and supranational issuers that can be considered to be sustainable investments may change in light of additional regulatory

clarifications.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



### ● **How does the use of derivatives attain the sustainable investment objective?**

Derivative products are not used in order to achieve sustainability objectives.



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

The EU Taxonomy Regulation establishes six distinct but interconnected environmental objectives. These environmental objectives are placed at the heart of Candriam's ESG research and analysis of issuers.

At the present time, however, only a small number of companies worldwide publish the necessary information for a rigorous evaluation of their alignment with the Taxonomy.

As a result, the sub-fund does not commit to a minimum Taxonomy alignment percentage, meaning that this percentage must be considered to be zero.

### ● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy ?<sup>1</sup>**

☐ Yes

☐ In fossil gas

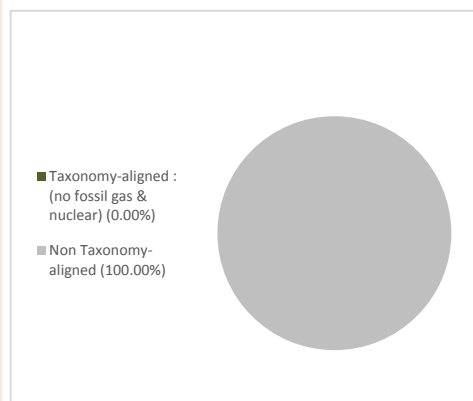
☐ In nuclear energy

☒ No

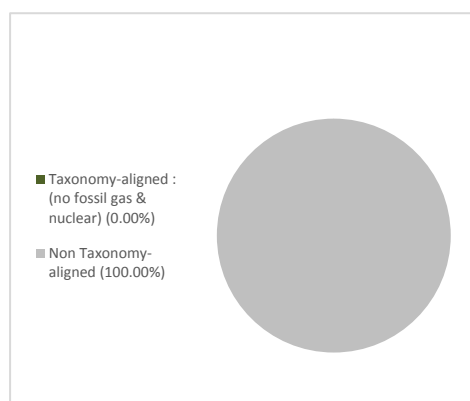
<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.**

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



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



This graph represents max. 100 % of the total investments.

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

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

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

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

No minimum proportion of investments in transitional and/or enabling activities has been fixed. However, Candriam's ESG research and analysis framework includes an evaluation of transitional and/or enabling activities and how they contribute to the sustainability objectives.



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

There is no hierarchy of environmental or social objectives and as a result, the strategy neither seeks nor commits to a specific minimum proportion of sustainable investments with an environmental objective.



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



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

There is no hierarchy of environmental or social objectives and as a result, the strategy neither seeks nor commits to a specific minimum proportion of sustainable investments with a social objective.



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

Non-sustainable investments may not be held in the sub-fund above 20% of the total net assets. Such non-sustainable investments may be:

- cash: demand deposits, reverse repurchase transactions that are necessary in order to manage the liquidity of the sub-fund following subscriptions/redemptions and/or resulting from the sub-fund’s market exposure decision;
- issuers who were considered to be sustainable investments at the time of investment and which are no longer fully aligned with Candriam’s sustainable investment criteria. The intention is to sell these investments,
- non single name derivatives may be used for efficient portfolio management and/or for hedging purposes and/or temporarily following subscriptions/redemptions.

Such investments do not affect achievement of the sub-fund’s sustainable investment objectives because they make up a limited part of its assets.



## Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

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

- ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

The sub-fund is actively managed and its investment approach implies a reference to a benchmark.

The selected benchmark does not explicitly take sustainability objectives into account.

There is no EU “climate transition” benchmark or “Paris-aligned” benchmark or any other sustainability benchmark that takes full account of the sustainability objectives and the investment strategy described in the sub-fund’s prospectus.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***
- ***How does the designated index differ from a relevant broad market index?***
- ***Where can the methodology used for the calculation of the designated index be found?***



## Where can I find more product specific information online?

For more detailed information about the product, go to:

<https://www.candriam.com/en/private/sfdr/>

<https://www.candriam.com/en/professional/sfdr/>