CANDRIAM
BY NEW YORK LIFE INVESTMENT MANAGEMENT

Candriam Bonds

Société d'Investissement à Capital Variable
Luxembourg

PROSPECTUS

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.

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14 September 2026

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 Bonds (hereinafter the "SICAV" or the "Fund") is registered on the official list of undertakings for collective investment (hereinafter "UCIs") pursuant to the Law of 17 December 2010 on undertakings for collective investment (hereinafter the "Law").

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).
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.
However, notwithstanding the foregoing, the SICAV reserves the right to make a private placement of its shares to a limited number of U.S. Persons to the extent permitted under applicable U.S. law.

In addition, financial institutions which do not comply with the FATCA programme (FATCA stands for the U.S. Foreign Account Tax Compliance Act), as included in the Hiring Incentives to Restore Employment Act (the "HIRE Act"), and its application measures, including the analogous 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 comes into force.

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 laid down in part I of the Law and in European Directive 2009/65/EC, as amended (hereinafter "Directive 2009/65/EC").

The Board of Directors of the SICAV is responsible 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.

Any reference made in this Prospectus:

- To the term "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,
- To the term EUR refers to the currency of the countries that are members of the Economic and Monetary Union,
- To the term USD refers to the currency of the United States of America,
- To the term GBP refers to the currency of the United Kingdom of Great Britain and Northern Ireland,
- To the term CHF refers to the currency of the Swiss Confederation,
- To the term MXN refers to the currency of Mexico,
- To the term JPY refers to the currency of Japan,
- To the term TRY refers to the currency of Turkey,
- To the term CZY refers to the currency of the Czech Republic,
- To the term HUF refers to the currency of Hungary,
- To the term PLN refers to the currency of Poland.
- The term Bank Business Day refers to any full bank business day in Luxembourg. To avoid any confusion, 24 December is not considered to be a Bank Business Day.

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.

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1. Administration of the SICAV

Board of Directors:

Chairman

Mr Jean-Yves **Maldague**
Managing Director
Candriam
SERENITY – Bloc B
19-21 route d'Arlon
L-8009 Strassen

Directors

- Ms Annemarie **Arens**
  Independent Director
- Mr Thierry **Blondeau**
  Independent Director
- Mrs Isabelle **Cabie**
  Global Head of Corporate Sustainability
  Candriam
- Mr Pascal **Dequenne**
  Global Head of Operations
  Candriam
- Mrs Aurore **Pelle**
  Senior Internal Auditor
  Candriam
- Mr Koen **Van de Maele**
  Global Head of Investment Solutions
  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

Board of Directors

Chairman:

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

Members:

- **Mr Matthias Baillieul**
  Chief Financial Officer
  Belfius Insurance SA

- **Mr Jean-François Deschamps**
  Head of AML & Capital Management
  Belfius Bank

- **Mr Renato Guerriero**
  Deputy Chief Executive Officer - Global Development & Distribution
  Candriam

- **Mr Dirk Gyselinck**
  Responsible for Private, Wealth and Retail
  Belfius Bank

- **Mr Vincent Hamelink**
  Chief Executive Officer
  Candriam

- **Mr Frank Harte**
  Senior Managing Director, Chief Financial Officer & Treasurer
  New York Life Investment Management Holdings LLC and
  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

- **Ms Alison Micucci**
  Chief Executive Officer
  MacKay Shields LLC

Management Committee

Chairman:

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

Members:

- **Ms Justine Barrielle**, Member of the Board of Management
- **Mr Olivier Corby**, Member of the Board of Management
- **Mr Fabrice Cuchet**, Member of the Board of Management
- **Ms Nadège Dufossé**, Member of the Board of Management
- **Mr Nicolas Forest**, Member of the Board of Management
- **Mr Renato Guerriero**, Member of the Board of Management
- **Mr Vincent Hamelink**, Member of the Board of Management

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 4 HD

- *The implementation of securities lending and borrowing operations is performed directly by Candriam and/or by one or more of the branches and is partly delegated to*:

  CACEIS Bank, Luxembourg Branch
  5, Allée Scheffer, L-2520 Luxembourg

- *Administrative Agent and Domiciliary Agent functions are delegated to:*

  CACEIS Bank, Luxembourg Branch
  5, Allée Scheffer, L-2520 Luxembourg

- *Transfer agent duties (including registrar activities) are delegated to:*

  CACEIS Bank, Luxembourg Branch
  5, Allée Scheffer, L-2520 Luxembourg

Auditors:

PricewaterhouseCoopers Assurance
2 rue Gerhard Mercator, L – 2182 Luxembourg

2. General description of the SICAV

Candriam Bonds is a société d'investissement à capital variable registered in Luxembourg and formed under the legislation of the Grand Duchy of Luxembourg concerning UCIs.

The SICAV was formed in Luxembourg on 1 June 1989 for an unlimited term pursuant to the legislation of the Grand Duchy of Luxembourg.

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. Changes in capital occur automatically and do not need to be announced or recorded in the Luxembourg Trade and Companies Registry in the same way as required for a capital increase or decrease of a société anonyme. Its minimum capital is EUR 1,250,000.

Its articles of incorporation were filed with the Luxembourg Trade and Companies Registry and published in the Mémorial (state gazette) on 24 August 1989. They were last amended on 14 September 2026. The corresponding amendments will be published in the Recueil Electronique des Sociétés et Associations. The coordinated articles of incorporation have been filed with the Luxembourg Trade and Companies Registry.

The SICAV is entered in the Luxembourg Trade and Companies Registry under number B-30 659.

The SICAV is an umbrella UCITS, which means that it is made up of several 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 different share classes which differ in particular in terms of the fees and commissions payable or in terms of their distribution policy.

The following sub-funds are currently available to investors:

- Candriam Bonds Capital Securities, denominated in EUR
- Candriam Bonds Convertible Defensive, denominated in EUR
- Candriam Bonds Credit Alpha, denominated in EUR
- Candriam Bonds Credit Opportunities, denominated in EUR
- Candriam Bonds Emerging Debt Local Currencies, denominated in USD
- Candriam Bonds Emerging Markets, denominated in USD
- Candriam Bonds Emerging Markets Corporate, denominated in USD
- Candriam Bonds Euro, denominated in EUR
- Candriam Bonds Euro Corporate, denominated in EUR
- Candriam Bonds Euro Corporate 2036, denominated in EUR
- Candriam Bonds Euro Diversified, denominated in EUR
- Candriam Bonds Euro Government, denominated in EUR
- Candriam Bonds Euro High Yield, denominated in EUR
- Candriam Bonds Euro Short Term, denominated in EUR
- Candriam Bonds Floating Rate Notes, denominated in EUR
- Candriam Bonds Global Alpha, libellé en EUR
- Candriam Bonds Global Government, denominated in EUR
- Candriam Bonds Global High Yield, denominated in EUR
- Candriam Bonds Global Inflation Short Duration, denominated in EUR
- Candriam Bonds International, denominated in EUR
- Candriam Bonds US Corporate, denominated in USD

Each of the SICAV's sub-funds may, at the discretion of the Board of Directors, consist of one single share class or be divided into several share classes, the assets of which must be commonly invested as per the investment policy specific to the sub-fund in question. Each class of the sub-fund must have a specific subscription and redemption fee structure, a specific charge structure, a specific distribution policy, a particular hedging policy, a different reference currency and other specific features. Each category of share thus defined constitutes a "class".

In addition, each share 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 share 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:

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

- The **Classique** Class is available to individuals and legal entities.

- The **CS** Class is available to individuals and legal entities without issue charges via distributors and/or intermediaries approved by the Management Company.

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

- The **I2** class is not subject to an outperformance fee and is reserved exclusively for institutional investors.

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

- The **PI** Class is reserved for institutional investors which subscribe before the sub-fund has reached a critical size in terms of the assets under management. The minimum initial subscription is EUR 1,000,000 or the equivalent in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date. This class will remain open for subscription until one of the following events occurs: (i) the period fixed by the Board of Directors ends, (ii) the sub-fund reaches a critical size in terms of the assets under management, as defined by the Board of Directors, (iii) the Board of Directors decides to close this class to subscription on justifiable grounds. The Board of Directors may re-open this class of shares at its discretion and without the need to inform investors in advance.

- The **R** Class is reserved for financial intermediaries (including distributors and platforms) which:

  i. Have different arrangements with their clients for the provision of investment services in connection with the sub-fund, and

  ii. 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 services.

- 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 offered to institutional investors specially approved by the Management Company whose minimum initial subscription is EUR 25,000,000 (or the equivalent in any other currency as decided by the Board of Directors) or the equivalent in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

- The **S2** Class is offered to institutional investors specially approved by the Management Company whose minimum initial subscription is EUR 100,000,000 (or the equivalent in any other currency as decided by the Board of Directors) or the equivalent in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

- The **S3** Class is offered to institutional investors specially approved by the Management Company whose minimum initial subscription is EUR 175,000,000 (or the equivalent in any other currency as decided by the Board of Directors) or the equivalent in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

- The **S4** class is not subject to an outperformance fee and is reserved exclusively for institutional/professional investors, distributors and/or intermediaries who are approved by the Management Company, who invest through *Spezialfonds* and whose minimum initial subscription is EUR 75,000,000 or its equivalent in foreign currencies for those classes denominated in foreign currencies (this minimum amount may be changed at the discretion of the Board of Directors provided that equal treatment of shareholders is ensured for a given valuation date).

- The **SF** Class is reserved for feeder UCIs approved by the Management Company.

- The **V** Class is reserved exclusively for institutional investors whose minimum initial subscription is EUR 20,000,000 (or the equivalent in any other currency as decided by the Board of Directors) or the equivalent in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

- The **V2** class is not subject to an outperformance fee and is reserved exclusively for institutional/professional investors, distributors and/or intermediaries which are approved by the Management Company and whose minimum initial subscription is EUR 20,000,000, or its equivalent in foreign currencies in the case of classes denominated in foreign currencies. This amount may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

- The **VB** Class is reserved for Belgian-law UCIs approved by the Management Company.

- The **Y** class is reserved exclusively for institutional investors specifically approved by the Management Company.

- 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.

- The **ZB** Class is reserved for Belgian-law 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 (hereinafter the "Fact Sheets") 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.

The Board of Directors of the SICAV defines the investment policy for each of the sub-funds.

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

3. Management & administration

3.1. The Board of Directors

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

It 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.

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 was formed in Luxembourg on 10 July 1991 and began operating as a management company on 1 February 1999. Candriam is a subsidiary of the New York Life Insurance Company Group. Since 28 November 2025, Belfius Banque has also been a minority shareholder of the Management Company, holding 33% of the capital.

Candriam received approval as a Management Company within the meaning of chapter 15 of the Law, 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 broadest possible powers to carry out UCI management and administration activities in pursuance of its objects.

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, the Management Company is authorised to delegate its duties, powers and obligations in full or in part to any person or company that it deems fit, provided 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 function

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 performs, directly and/or through one or more of its branches, the portfolio management of the various sub-funds. The Management Company may furthermore exercise on behalf of the SICAV any voting rights attached to the transferable securities that make up the assets of the SICAV.

In addition, the Management Company has delegated the securities lending and borrowing agent activities and collateral management activities to CACEIS Bank, Luxembourg Branch via a delegation agreement entered into for an unlimited term.

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 has delegated the Administrative Agent and Transfer Agent functions 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.

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

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 Paris 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 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. Please note that this list may change over time.

3.3.1.3 Marketing function

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.

In this way, the Remuneration Policy 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.

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, 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 keeping separate legal entities, segregating functions, separating hierarchical structures, insider lists of staff members, or

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

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

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

5. Investment objectives

The SICAV is made up of various sub-funds which each pursue a management objective described in the Fact Sheets at the end of this Prospectus.
Each sub-fund offers shareholders the opportunity to access a professional form of diversified asset management.
In pursuit of its investment objective, each sub-fund is likely to be exposed to various risk factors mentioned in the fact sheets. These risk factors are set out in the section entitled *Risk factors*.
In view of stock market fluctuations and other risks to which investments in transferable securities, money market instruments and other financial assets are exposed, the value of the shares may go down as well as up.

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) Units in UCITS authorised according to Directive 2009/65/EC and/or other UCIs, within the meaning of article 1, paragraph (2), points a) and b) of Directive 2009/65/EC, whether established in a Member State or not, provided:

- These other UCIs are approved in accordance with legislation stipulating that these undertakings are subject to supervision that the CSSF believes to be equivalent to that stipulated by EU legislation, and that cooperation between the authorities is sufficiently guaranteed,

- The level of protection guaranteed to unitholders in these other UCIs is equivalent to that provided for unitholders in a UCITS and, in particular, that the rules on asset segregation, borrowing, lending and short-selling of securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC,

- The activities of these other UCIs are reported in semi-annual and annual reports such that their assets, liabilities, income and activities over the reporting period may be evaluated,

- The proportion of assets that the UCITS or other UCIs whose acquisition is contemplated may invest overall, in accordance with their management rules or their documents of incorporation, in units in other UCITS or other UCIs does not exceed 10%.

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

- The target sub-fund does not in turn invest in the sub-fund invested in this target sub-fund, and
- The proportion of assets that the target sub-funds whose acquisition is contemplated may invest overall in the units of other target sub-funds of the same UCI does not exceed 10%, and
- Any voting rights attached to the respective securities will be suspended for as long as they are held by the sub-fund in question, without prejudice to the appropriate treatment in the accounts and the interim reports, and
- In any event, for as long as these securities are held by the SICAV, their value will not be accounted for in the calculation of the net assets of the SICAV for the purpose of verifying the minimum assets level imposed by the law.

b) Transferable securities and money market instruments listed or traded on a market within the meaning of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments,

c) Transferable securities and money market instruments traded on another regulated market of a Member State, which operates regularly and is recognised and open to the public,

d) Transferable securities and money market instruments officially listed on a stock exchange of a European state (other than those forming part of the EU), North and South America, Asia, Oceania or Africa, or traded on another regulated market of a European state (other than those forming part of the EU), North and South America, Asia, Oceania or Africa, which operates regularly and is recognised and open to the public,

e) Newly issued transferable securities and money market instruments, provided that the terms of issue include the undertaking that the application for official listing on a stock exchange or another regulated market which operates regularly and is recognised and open to the public, as specified in points b), c) and d) above, is made within one year of the date of issue,

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

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

- The underlying consists of the instruments referred to in this article 6.1, financial indices, interest rates, exchange rates or currencies, in which the sub-fund may make investments according to its investment objectives,
- The counterparties to the transactions are institutions subject to prudential supervision and belonging to the categories authorised by the CSSF,
- These instruments are reliably and verifiably valued on a daily basis and can, at the initiative of the SICAV, be sold, liquidated or closed by way of an offsetting transaction at their fair value at any time,

h) 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 b), c) or d) above, or

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

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

Additional information pertaining to certain instruments:

- Total return swaps

A sub-fund may make use of total return swaps or other derivative financial instruments which have the same characteristics, for example certificates for differences, for the purpose of (long or short) exposure, hedging or arbitrage.

The underlying instruments to these operations may be individual securities or financial indices (equities, interest rates, credit, foreign currencies, commodities, volatility etc.) in which the sub-fund may invest in accordance with its investment objectives.

A sub-fund may conduct credit derivative transactions (single underlying or on a credit index) for the purposes of exposure, hedging or arbitrage.

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

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

- Subordinated debt instruments

Subordinated debt securities are bonds the repayment of which, in the event of the issuer's bankruptcy or liquidation does not have priority but is subordinated to that of other, higher-ranking bond holders. These securities are rated lower than the senior debt issued by the same issuer

6.2 A sub-fund may not:

- invest more than 10% of its assets in transferable securities or money market instruments other than those referred to in article 6.1,

- purchase precious metals or certificates representing precious metals.

  A sub-fund may hold cash on an ancillary basis (up to 20% of its 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 SICAV may acquire the movable or immovable property essential to the direct exercise of its activities.

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 promote, among other characteristics, 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. Fail to meet the criteria of a normative exclusion filter taking account of their environmental, social and governance practices and adherence to standards such as the United Nations Global Compact and the OECD's Guidelines for Multinational Enterprises. This filter seeks to exclude the companies which are the most seriously in breach of these normative principles and which present both material and severe structural risks in terms of environmental, social and governance factors; and/or

2. Are significantly exposed to certain controversial activities as defined for each sub-fund.

The details of Candriam's exclusions policy are available on the Candriam website (see "Useful links" below).

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.

To give expression to the fact that challenges relating to climate change have been taken into account, the carbon footprint of companies is measured. A company's carbon emissions are expressed as the carbon dioxide equivalent in tonnes (tCO2-eq), which combines the various greenhouse gas (GHG) emissions into a single measure. For any quantity and type of greenhouse gas, the CO2 equivalent signifies the quantity of CO2 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 tCO2-eq /million euros invested). This measure can be used for benchmarking and comparison purposes. The carbon footprint may be calculated using another appropriate currency.

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.

Details of the calculation method are available in the Transparency Code on the Candriam website (see the Fact Sheets).

The SFDR Annex of the relevant sub-funds explicitly mentions that the carbon footprint is taken into account.

For sovereign issuers

The ESG analysis of Candriam's sovereign issuers aims to evaluate the performance of these issuers across four 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.

ESG rating method

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.

For companies, Candriam's proprietary analysis includes an analysis of the activities and management of the essential stakeholders of each company.
For countries, it includes the four fundamental sustainability dimensions: human capital, natural capital, social capital and economic capital.

The score ranges from 0 (less good score) to 100 (top score).

Details of the ESG analysis methodology are available in the transparency code on the Candriam website (see the Fact Sheets).

Engagement

The analysis process may also be accompanied – where applicable indirectly through the underlying fund(s) – by dialogue with the companies. Examples of such dialogue include an active dialogue with the companies 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.

Information about the engagement policy is available on the Candriam website (see "Useful links" below).

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 two 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**
- Voting policy: document entitled **Candriam Proxy Voting**
- Engagement policy: document entitled **Candriam Engagement Policy**

6.5 Efficient portfolio management techniques.

In accordance with Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012, in order to generate additional capital or revenue or to reduce its costs and its risks, each sub-fund is authorised to make use of the following efficient portfolio management techniques covering transferable securities and money market instruments **where this is duly specified in the Fact Sheet for the sub-fund in question**:

6.5.1 Securities lending transactions

Each sub-fund may lend the securities in its portfolio to a borrower directly or through a standardised lending system organised by a recognised securities settlement service or a lending system organised by a financial institution that is subject to prudential supervision rules considered by the CSSF to be equivalent to those set down in Community legislation and that specialises in this type of transaction.

The type of securities contained in the lending transactions and the counterparties must meet the requirements of CSSF Circular 08/356 and the conditions defined in point 7.10 of the Prospectus.

The expected proportion and the maximum proportion of the assets under management involved in such transactions or contracts are contained in the fact sheet of each sub-fund.

The SICAV must ensure that it maintains the amount of securities lending at an appropriate level or must be able to request the return of the loaned securities, such that the sub-fund in question is able at all times to meet its redemption obligations, and must ensure that these transactions do not compromise the management of the sub-fund's assets in accordance with its investment policy.

6.5.2 Reverse repurchase transactions

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

The expected proportion and the maximum proportion of the assets under management involved in such transactions or contracts are contained in the fact sheet of each sub-fund.

The type of securities contained in the reverse repurchase agreement and the counterparties must meet the requirements of CSSF Circular 08/356 and the conditions defined in point 7.10 of the Prospectus.

For the term of the reverse repurchase agreement, the sub-fund may not sell or use the securities which are contained in this agreement as a pledge/collateral unless the sub-fund has other means of coverage.

6.5.3 Repurchase transactions

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.

The expected proportion and the maximum proportion of the assets under management involved in such transactions or contracts are contained in the fact sheet of each sub-fund.

The type of securities contained in the repurchase agreement and the counterparties must meet the requirements of CSSF Circular 08/356 and the conditions defined in point 7.10 of the Prospectus.

The relevant sub-fund must, on expiry of the term of the repurchase agreement, have the necessary assets to pay the agreed return price to the sub-fund.

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

6.5.4 Associated risks and mitigation measures

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

i. Selection of counterparties and legal framework

Counterparties to securities lending transactions are approved by Caceis Bank, Luxembourg Branch acting in its capacity as the lending agent, and counterparties to other transactions are validated by the Management Company's risk management department and, when the transactions are initiated, have a minimum rating of BBB-/Baa3 from at least one recognised ratings agency or considered to be of equivalent quality by the Management Company (in particular if there is no rating). These counterparties are entities which are subject to prudential supervision and belong to the categories authorised by the CSSF (credit institution, investment company, etc.), and which specialise in this type of transaction. The counterparties are located in an OECD member country.

ii. Financial collateral

See point 7.10. Management of collateral for OTC derivative products and efficient portfolio management techniques below.

iii. Restrictions on reinvestment of financial collateral received

See point 7.10. Management of collateral for OTC derivative products and efficient portfolio management techniques below.

iv. Measures taken to reduce the risk of conflicts of interest

To mitigate the risk of a conflict of interest, the Management Company has established a process for selecting and monitoring counterparties through committees organised by the risk management department. In addition, the remuneration of these transactions is in line with market practices in order to avoid any conflict of interest.

v. Remuneration policy for securities lending activities

The sub-funds in question receive at least 60% of the gross income from securities lending activities. The costs and fees paid to the Management Company and its delegates amount to a maximum of 40% of gross income apportioned as follows:

- 20% is paid to **Caceis Bank, Luxembourg Branch** in return for its securities lending and collateral management activities with eligible financial institutions,
- 20% is paid to **Candriam** in return for supervising the securities lending activities and in particular for interacting with the lending agent and verifying the quality of execution of securities lending activities.

The annual report contains detailed information on the income from securities lending activities and on the operational costs and charges engendered. It also specifies the identity of the entities to which these costs and charges are paid and specifies if they are related to the Management Company and/or the depositary.

vi. Remuneration policy for reverse repurchase agreements

Income from reverse repurchase agreements is paid in full to the sub-fund.

vii. Remuneration policy for repurchase agreements

This activity does not generate income.

6.5.5 Periodic investor information

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

7. Investment restrictions

7.1

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

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

The risk exposure to a counterparty of a sub-fund in an OTC derivative transaction and efficient portfolio management techniques may not exceed 10% of its assets when the counterparty is one of the credit institutions referred to in article 6.1 f) above or 5% of its assets in other cases.

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

The SICAV may have cause to be party to agreements, under the terms of which financial collateral may be granted under the conditions set out in point 7.10 below.

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

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

Notwithstanding the individual limits established in point 1a) above, a sub-fund may not combine, if this would result in its investing more than 20% of its assets in any one entity, more than one of the following items:

- Investments in transferable securities or money market instruments issued by this entity,
- Deposits with the said entity, or
- Exposures arising from OTC derivative transactions entered into with this entity.

c) The 10% limit specified in point 1a) above may be raised to a maximum of 35% if the transferable securities and money market instruments are issued or guaranteed by a Member State, by its local authorities, by a non-Member State of the EU or by public international bodies to which one or more Member States belong.

d) The 10% limit specified in point 1a) above may be raised to a maximum of 25% in the case of certain bonds when these are issued by a bank which has its registered office in a Member State and which is subject by law to special supervision by the public authorities designed to protect bond-holders. In particular, the sums arising from the issue of these bonds must be invested, according to the legislation, in assets which, throughout the period of validity of the bonds, cover the debts arising from the bonds and which, in the event of the issuer's bankruptcy, would be used for the repayment of the capital and the payment of accrued interest.
If a sub-fund invests more than 5% of its assets in the bonds referred to in the first paragraph and issued by a single issuer, the total value of these investments may not exceed 80% of the asset value of this sub-fund.

e) The transferable securities and money market instruments referred to in points 1c) and d) above will not be taken into account for the purpose of applying the limit of 40% referred to in point 1b) above.

The limits provided for in points 1a), b), c) and d) may not be combined, and consequently investments in transferable securities or money market instruments issued by the same body or in deposits or derivative instruments made with this body in accordance with points 1a), b), c) and d) may not exceed a total of 35% of the assets of the sub-fund.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single entity for the purpose of calculating the limits set down in this point 1).

A sub-fund may cumulatively invest up to 20% of its assets in transferable securities and money market instruments within the same group.

7.2 **Notwithstanding the restrictions specified in point 1 above, each sub-fund is authorised to invest, according to the principle of risk diversification, up to 100% of its assets in different issues of transferable securities and money market instruments issued or guaranteed by a Member State, 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 EU belong. If a sub-fund exercises this latter option, it must hold transferable securities belonging to at least six different issues but securities belonging to the same issue may not exceed 30% of the total amount of the net assets.**

7.3 Notwithstanding the restrictions specified in point 7.1 above, sub-funds whose investment policy is to replicate an equity or bond index (hereinafter the "benchmark index"), may raise the limits to a maximum of 20% for investments in equities and/or bonds issued by the same body, provided that:

- The composition of the index is sufficiently diversified,
- The index represents an adequate benchmark for the market to which it refers,
- The index is published in an appropriate manner.

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

7.4

(1) A sub-fund may acquire units in the UCITS and/or UCIs stated in points 6.1 a), provided it does not invest more than 20% of its assets in a single UCITS or other UCI.
For the purpose of applying this investment limit, each sub-fund of an umbrella UCI is regarded as a separate issuer, provided the principle of the segregation of the liabilities of the various sub-funds with regard to third parties is ensured.

(2) Investments in units of UCIs other than UCITS may not exceed in total 30% of the assets of a UCITS.
Where a UCITS has acquired units of a UCITS and/or other UCIs, the assets of those UCITS or other UCIs are not combined for the purposes of calculating the limits set down in point 1 above.

(3) If a sub-fund invests in the units of other UCITS and/or other UCIs which are managed, directly or by delegation, by the Management Company or by any other company with which the Management Company is associated as part of a co-management or co-control agreement or by means of a significant direct or indirect shareholding, the Management Company or the other company may not charge subscription or redemption fees for the sub-fund's investment in the units of other UCITS and/or other UCIs. Nor will any management fees be invoiced on this investment by the UCITS and/or other underlying UCI.

7.5

a) The SICAV may not acquire shares with a voting right allowing it to exercise a significant influence on the management of an issuer.

b) The SICAV may not acquire more than:
- 10% of the non-voting shares issued by a single issuer,
- 10% of the debt securities of a single issuer,
- 10% of the money market instruments of a single issuer,
- 25% of the units in a single UCITS or other UCI.

The limits set down in the second, third and fourth indents of point 7.5 b) above may be disregarded at the time of purchase if, at that time, the gross amount of the bonds or money market instruments, or the net amount of the securities in issue, cannot be calculated.

c) The limits set down in points 7.5 a) and b) above do not apply to:

- Transferable securities and money market instruments issued or guaranteed by a Member State or by its local authorities,

- Transferable securities and money market instruments issued or guaranteed by a non-Member State of the EU,

- Transferable securities and money market instruments issued by public international bodies to which one or more Member States belong.

7.6

a) The SICAV may not borrow. However, a sub-fund may acquire currencies through back-to-back loans,

b)

- By way of derogation from point a), the sub-funds may borrow provided the loans are temporary and represent a maximum of 10% of their assets,

- The SICAV may borrow provided the loans permit the acquisition of the immovable property essential to the direct exercise of its activities, and represent a maximum of 10% of its assets.

When the SICAV is authorised to borrow under the terms of point b) above, these loans will not exceed a total of 15% of its assets.

7.7

a) A sub-fund may not grant loans or stand as guarantor in respect of third parties.

b) Point a) will not prevent the sub-funds from acquiring the transferable securities, money market instruments or other financial instruments referred to in points 6.1 a), g) and h), that are not fully paid-up,

7.8 A sub-fund may not short-sell transferable securities and money market instruments or other financial instruments referred to in articles 6.1 a), g) and h).

7.9

a) The sub-funds need not necessarily follow the limits stated in this article when exercising the subscription rights relating to the transferable securities or money market instruments forming part of their assets.
Whilst ensuring that the principle of risk diversification is followed, newly approved sub-funds may deviate from the provisions of points 1, 2, 3 and 4 of this article 7 for a period of six months from their approval date.

b) If the limits referred to in paragraph a) are exceeded unintentionally by the sub-fund or as a result of the exercise of the subscription rights, the primary objective of the latter in its selling transactions will be to regularise this situation in the interests of the shareholders.

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

7.10 Management of financial collateral for OTC derivative products and efficient portfolio management techniques.

a) <u>General criteria</u>

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 20% of the net assets of the respective sub-fund. However, this limit is raised to 100% for securities issued or guaranteed by a member state of the European Economic Area ("EEA"), by its local authorities, by 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, 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 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 listed or traded on a regulated market of a Member State of the European Union or on a stock exchange of a state which is a member of the OECD provided the shares are included in a significant index,

- shares or units in undertakings for collective investment offering adequate liquidity and investing in money market instruments, highly rated bonds or shares that meet the conditions stated above.

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 over-the-counter financial instruments and efficient portfolio management techniques 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 7.1 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	0-4%
Debt securities issued by private sector issuer	2-5%
Equities, UCI units/shares	2-8%

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 above eligibility criteria, invested in highly rated government loans, used for the purpose of reverse repurchase transactions that can be recalled at any time or invested in short-term monetary 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 these efficient portfolio management techniques is contained in the annual and semi-annual reports.

7. 11. Valuation

a) 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.

b) Securities lending

Securities lending operations are not recorded individually in the net asset value – the income generated is recorded monthly. Loaned securities remain valued in the net asset value according to the valuation rules defined elsewhere.

c) 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 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: a change in interest rates, resulting notably from inflation, may cause a risk of losses and reduce the net asset value of the sub-fund (particularly in the event of a rate increase if the sub-fund has a positive rate sensitivity and in the event of a rate decline if the sub-fund has a negative rate sensitivity). Long term bonds (and related derivatives) are more sensitive to interest rate variations.
A change in inflation, in other words a general rise or fall in the cost of living, is one of the factors potentially affecting interest rates and consequently the NAV.

Volatility risk: a sub-fund may be exposed (taking directional positions or using arbitrage strategies for example) to market volatility risk and could therefore, based on its exposure, suffer losses in the event of changes in the volatility level of these markets.

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. Depending on whether the sub-fund is positively or negatively positioned on the credit market and/or some issuers in particular, an upward or downward movement respectively of the credit spreads, or a default, may negatively impact the net asset value. When evaluating the credit risk of a financial instrument, the Management Company will never rely solely on external ratings.
This risk might be bigger in certain sub-funds that make use of high-yield debt, issuers of which are considered at risk.

Risk associated with derivative financial instruments: financial derivatives are instruments whose value depends on (or is derived from) one or more underlying financial assets (equities, interest rates, bonds, currencies, etc.). The use of derivatives therefore involves the risk associated with the underlying instruments. They may be used for purposes of exposure or hedging against the underlying assets. Depending on the strategies employed, the use of derivative financial instruments can also entail leverage risks (amplifying downward market movements). 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 efficient portfolio management techniques. These transactions may cause a counterparty risk, i.e. losses incurred in connection with commitments contracted with a defaulting counterparty.

Emerging countries risk: market movements can be stronger and faster on these markets than on the developed markets, which could cause the net asset value to fall in the event of adverse movements in relation to the positions taken. Volatility may be caused by a global market risk or may be triggered by the vicissitudes of a single security. Sectoral concentration risks may also be prevalent on some emerging markets. These risks may also heighten the volatility. Emerging countries may experience serious political, social, legal and fiscal uncertainties or other events that could have a negative impact on the sub-funds investing in them. In addition, local depositary and sub-custodial services remain underdeveloped in non-OECD countries and emerging countries, and transactions carried out in these markets are subject to transaction risk and custody risk. In some cases, the SICAV may be unable to recover all or part of its assets or may be exposed to delays in delivery when recovering its assets.

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 operation of the sub-fund. The 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 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 Fund on its assets, income, capital gains, financial transactions or charges paid or received by service providers.

Settlement risk: this risk exists to the extent that some funds invest in regions where financial markets are not well developed. In regions where the financial markets are well developed, this risk is low. This risk exists to the extent that some funds invest in regions where financial markets are not well developed. In regions where the financial markets are well developed, this risk is low.

Leverage risk: compared with other types of investment, some sub-funds may operate with a high level of leverage. Use of leverage can entail high volatility and the sub-fund may suffer higher losses depending on the leverage level.

Liquidity risk: liquidity risk is defined as that of a position in the sub-fund's portfolio that cannot be sold, liquidated or closed at a limited cost and within a sufficiently short time, thus jeopardising the sub-fund's ability to comply at any time with its obligations to redeem the shares of investors at their request. On certain markets (in particular emerging and high-yield bonds, equities with low market capitalisation, etc.), the quotation spreads may widen under less favourable market conditions, which could impact on

the net asset value when assets are purchased or sold. Furthermore, in the event of a crisis on these markets, the securities could also become difficult to trade.

Delivery risk: the sub-fund may want to liquidate assets which at that time are subject to a transaction with a counterparty. In this case, the sub-fund would recall these assets from the counterparty. Delivery risk is the risk that the counterparty, although contractually obliged, may not be able in operational terms to return the assets quickly enough to allow the sub-fund to honour the sale of these instruments on the market.

Equity risk: some sub-funds may be exposed to equity market risk through direct investment (through transferable securities and/or derivative products). These investments, which generate long or short exposure, may entail a risk of substantial losses. A variation in the equity market in the reverse direction to the positions can lead to the risk of losses and may cause the net asset value of the sub-fund to fall.

Arbitrage risk: arbitrage is a technique which consists in benefiting from the differences in prices recorded (or anticipated) between markets and/or sectors and/or securities and/or currencies and/or instruments. If such arbitrage transactions perform unfavourably (a rise in short transactions and/or fall in long transactions), the sub-fund's net asset value may fall.

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).

Model risk: the management process of some sub-funds relies on establishing a model which is used to identify signals based on past statistical results. There is a risk that the model is inefficient and that the strategies used will produce a poor performance. There is no guarantee that past market situations will be reproduced in the future.

Commodities risk: trends for commodities may differ significantly from those of traditional securities markets (equities, bonds). Climatic and geo-political factors can also affect the supply and demand levels of the respective underlying product, in other words altering the expected scarcity of the product on the market. Commodities such as energy, metals and agricultural products, however, could have trends which are more closely correlated with each other. Unfavourable trends on these markets may cause the net asset value of a sub-fund to fall.

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.

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

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

- **Capital structure inversion risk**: contrary to the classic capital hierarchy, investments in CoCos may be exposed to the risk of loss of capital even though shareholders are not.

- **Discretionary coupon cancellation**: coupon payments are entirely discretionary and may be cancelled at the issuer's discretion at any time.

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

- **Deferred redemption risk**: while CoCos are perpetual instruments, they may, however, be redeemed on a determined date ("date of call") and at a predetermined level with the approval of the competent authority. There is, however, no guarantee that CoCos will be repaid on the scheduled date or that they will ever be repaid. Consequently, the sub-fund may never recover its investment.

- Investments are often made in these types of instruments because of their attractive return, owing to the complexity involved, which only a well-informed investor may be in a position to understand.

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.

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.

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.

Risk of changes to the benchmark index by the index provider: shareholders should note that the index provider has full discretion to determine and therefore alter the characteristics of the relevant benchmark index for which it acts as sponsor. Under the terms of the licence contract, an index provider may not be required to give licence holders using the relevant benchmark index (including the SICAV) sufficient notice of changes to the benchmark index. As a consequence, the SICAV will not necessarily be in a position to inform shareholders of the relevant sub-funds in advance of the changes made by the relevant index provider to the characteristics of the relevant benchmark index.

Risk associated with Chinese debt (via Bond Connect)
Bond Connect is a trading system allowing overseas investors to invest directly in the Mainland China interbank bond market, based on a link between the Central Moneymarkets Unit (CMU) the Hong Kong Monetary Authority (HKMA) the relevant central depositaries in Mainland China.
Apart from emerging countries risk described above, investing on the Chinese debt market through the Bond Connect programme may also be subject to the following specific risks:

- Risks associated with low liquidity and high volatility:

Chinese bonds are accessible only to certain investors who use a special market access system called Bond Connect between the stock exchanges of Hong Kong and Mainland China. As these entry conditions restrict the volumes traded, and therefore the liquidity of certain bonds, they can accentuate the fluctuations (both upwards and downwards) and could be the subject of ill-defined regulatory changes. Restrictions on the repatriation of financial flows abroad cannot be excluded, for instance. In addition, when the Chinese bonds are sold, the sub-fund may be exposed to high implementation and transaction costs or even, to some extent, suffer losses.

- Risks associated with the custody of Chinese bonds:

The custody of Chinese bonds is based on a three-level structure. Eligible overseas investors are not required to open onshore settlement accounts and may deal with their international depositary, provided it is approved by the Hong Kong Monetary Authority (HKMA). As such, the (sub-)depositary keeps the securities with the Central Moneymarkets Unit (CMU), which holds a nominee account with China Central Depository Clearing Co. Ltd (CCDC).
As nominee, the CMU is not obliged to take any legal action or court proceedings in order to exercise the rights of the sub-fund concerned. In addition, the CMU is not the economic beneficiary of the debt securities, thereby giving rise to the risk that the concept of economic beneficiary in Mainland China is not recognised and defended whenever circumstances require it to be. In the highly unlikely event of a default of CCDC in which CCDC is declared the defaulting party, the liability of the CMU will be limited to helping the stakeholders in the compensation bring a complaint against CCDC. The CMU will endeavour in good faith to recover the bonds and amounts due from CCDC by having recourse to all available legal remedies or through the liquidation of CCDC. In this case, the sub-fund concerned could suffer from a delay in the recovery process or would be liable not to recover all of its losses from CCDC.

- Risks associated with trading and custody arrangements:

The Bond Connect programme does not meet all the standard criteria applicable to developed markets as regards the trading, clearing and custody of securities. It is subject to regulatory and operational evolutions, such as by way of non-restricting example, restrictions of volumes or changes in the conditions of investor eligibility and/or of the securities that are traded there. The trading days are also subject to the opening of several markets (China and Hong-Kong). These factors could act as a brake on investing and especially disinvesting quickly on this market segment. Meanwhile the sub-fund could see the value of its securities change unfavourably.
Besides, the valuation of some securities could be temporarily uncertain (particularly in the case of suspension of trading) and the Board of Directors could then be obliged to value the securities concerned on the basis of the information in its possession.

- Foreign exchange risk associated with the renminbi:

The renminbi, also known internationally as the Chinese yuan (RMB, CNY or CNH) is the local quotation currency of Chinese bonds in Bond Connect. It is exchanged inside and outside China at different exchange rates and has a high risk. The evolution of the exchange policy conducted by China and particularly the convertibility between local and international versions are very uncertain. Risks of a sudden short-term or long-term devaluation as well as temporary and substantial bid-ask spreads cannot be excluded.

- Tax uncertainties:

The regulations and taxation applicable to Chinese bonds prove to be uncertain and regularly undergo changes that could lead to a taxation of capital gains, including retroactive. The management company may then decide to make a tax charge provision, which could later lead to a surplus or, in spite of all, prove insufficient. Performance of a sub-fund that invests directly or indirectly in Chinese bonds may be affected, including negatively, by the actual levy and, where applicable, the provision made.

- Regulatory risk:

The Bond Connect platform is in a process of development. Certain regulations in force have therefore not been tested and may be changed. As a result, the sub-fund might be affected by them.

- In general terms, Chinese bond investments via the Bond Connect trading platform may be subject to other risks associated with the People's Republic of China (PRC) including but not limited to the risk of changes to the social or economic policy of the PRC, the risks associated with taxation in the PRC, the risks associated with suspension of trading, quota limits, geographical risk, concentration risk and operational risk.

Investors can find additional information on the following website:
http://www.chinabondconnect.com/en/index.htm

Risks arising from distressed debts

A distressed debt is a debt issued by a company in bankruptcy or on the verge of bankruptcy, an implies a high level of risk.

An investment in debt of this kind implies an amplification of credit risk and liquidity risk (as defined above) and other risks such as:

- Trading restrictions (for legal reasons or reasons relating to the market or the company),
- Valuation risk (caused in particular by greater uncertainty and low liquidity),
- Restructuring risk (in particular unsuccessful reorganisation, receipt of ineligible assets or assets which are not safe-kept by the Depositary).

9. Risk management

9.1 Overall risk

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.

9.2 Liquidity management tools

The SICAV has at its disposal liquidity management tools ("LMTs") intended (i) to manage liquidity risk, (ii) to handle redemption pressure, including under adverse or stressed market conditions, and (iii) to protect the existing/remaining shareholders from dilution effects. The activation, calibration, application and deactivation of an LMT are decided case-by-case by the Board of Directors and/or the Management Company of the SICAV in the interests of the shareholders, taking account in particular of the liquidity of the assets, the market conditions, the profile of the shareholders and the results of the liquidity stress tests.

In accordance with the articles of incorporation, the LMTs described below are available to the SICAV. The SICAV and the Management Company have determined the LMTs applicable to each sub-fund, and they are indicated in the respective Fact Sheet. Subject to the limits imposed by the regulations, the SICAV and/or the Management Company reserves the right to apply other LMTs to each sub-fund provided this is justified by the circumstances and the shareholders are duly informed.

1) Temporary suspension of the calculation of the net asset value or of subscription, redemption and conversion orders where exceptional circumstances make normal execution impossible or detrimental, in addition to the situations described in the chapter entitled *Temporary suspension of the calculation of the net asset value and of the issue, redemption and conversion of shares*.

2) Redemption gates, as described in the chapter entitled *Redemption of shares*.

3) Extension of notice periods, as described in the chapter entitled *Redemption of shares*.

4) Redemption fees, as described in the chapter entitled *Redemption of shares*.

5) Swing pricing, as described in the chapter entitled *Net asset value*.

6) Anti-dilution levy, consisting of adjustable entry/exit levies paid to the relevant sub-fund. They are fees paid to the sub-fund by a shareholder at the time of subscription, repurchase or redemption of shares, which compensate the sub-fund for the liquidity costs incurred due to the size of that transaction and ensure that the other shareholders are not unfairly disadvantaged.

7) Redemptions in kind, as described in the chapter entitled *Redemption of shares*.

Within the limits imposed by the regulations, and taking account of the best interests of the shareholders, the SICAV and the Management Company may for each sub-fund determine LMTs other than those listed above according to factors including but not limited to the sub-fund's strategy, the market conditions, or the size of the subscription, redemption and conversion orders.

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 a pro rata amount of the net liquidation proceeds.

The SICAV offers different share classes per sub-fund. Details of these are mentioned in the Fact Sheets. Shares are 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 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

The shares are issued at a price corresponding to the net asset value per share of the corresponding class. This price may be increased by a subscription fee payable to the Distributors, or as otherwise indicated 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.

Subscription in kind

The SICAV may agree to issue shares in exchange for a contribution in kind of assets whose total value is equal to the subscription price (plus any applicable subscription fees), provided that such assets comply with the investment objective and policy of the sub-fund receiving the contribution in kind (the "Sub-fund"), as well as with any restrictions or conditions imposed by applicable laws and regulations. When deciding whether to accept or reject a contribution in kind, the SICAV takes into account the interests of the other investors in the sub-fund, the principle of equal treatment, and the restrictions and conditions set out by the applicable laws and regulations.
A contribution in kind is subject to regular review by the approved statutory auditor of the SICAV or any other independent auditor approved by the SICAV, such review being the subject of a written report in accordance with the requirements of Luxembourg law.
All fees relating to the contribution in kind, including the fee for creating the evaluation report, are payable by the contributing investor or by any other third party agreed with the SICAV, or are allocated in any

other way deemed fair by the Board of Directors for all investors in the sub-fund.

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, an 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 (namely the markets in which the sub-fund is mainly invested), as determined by the Management Company for each sub-fund, are closed for trading and/or settlement. A list of the days considered not to be NAV Dates for the different sub-funds is available on the website www.candriam.com.

The SICAV may, however, at the discretion of the Board of Directors, grant exceptions on request to individual distributors, allowing them an additional reasonable period of a maximum of 1 hour 30 minutes after the SICAV's official cut-off time in order that they may centralise, aggregate and send orders to the transfer agent, still based on an unknown net asset value.

Applications must specify the sub-fund and the number of shares applied for, specifying either capitalisation shares or distribution shares, and must include a statement declaring that the buyer has received and read a copy of the Prospectus and that the subscription application is made on the basis of the terms of this Prospectus. 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 issue fee, in respect of the number of shares applied for.
Full payment, including any issue fee, must be received within the period specified in the Fact Sheets.
The total amount due must be paid in the currency of the class or in any other currency following the decision of the Board of Directors.
The payment must be made by transfer to 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 the written subscription application have not been received by this date, 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 request on the basis that the number of shares that can be subscribed by means of such amount (including the applicable issue fee) 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 remaining 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 to and holding shares in one of the share classes. In order to guarantee equal treatment of all investors within the same share class of a sub-fund, the individual shares in the share class have the same rights and obligations.

The Management Company may, while remaining within the framework of the parameters which characterise the various share classes of a sub-fund, conclude agreements with individual investors or a group of investors granting special rights to these investors.

The purpose of these special rights is to provide discounts on the fees billed to the share class, or specific information. They are granted on the basis of objective criteria defined by the Management Company and are paid from its own funds.

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 actual or expected amount placed or to be placed by the investor,
- The total assets under management held by the investor in the sub-fund or in another product offered by the Management Company,
- The type of investor (for example repackager, wholesaler, fund management company, asset manager, other institutional or private investor),
- 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 potential investor in a share class of a sub-fund is entitled to the same agreements if, in the reasonable opinion of the Management Company, he or she is objectively in the same situation as another investor in the same share class who has concluded agreements. In order to receive the same treatment, any investor or potential investor is able to contact the Management Company in the form of a request. The Management Company will share with the investor or potential investor relevant information about the existence and nature of these specific agreements, will verify the information it received from the investor or potential investor, and will determine on the basis of the information provided to it (including from the investor or potential investor) whether or not the investor or potential investor is entitled to the same treatment.

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.

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 the Board of Directors, grant exceptions on request to individual distributors, allowing them an additional reasonable period of a maximum of 1 hour 30 minutes after the SICAV's official cut-off time in order that they may centralise, aggregate and send orders to the transfer agent, still based on an unknown net asset value.

Except where the calculation of the net asset value is suspended, the conversion will be carried out on the Valuation Date following the receipt of the application, at a rate calculated by reference to the price of the shares of the respective sub-funds established on that same date.
The rate at which all or some of the shares in a sub-fund or class (the "original sub-fund or class") are converted into shares in another sub-fund or class (the "new sub-fund or the new class") is determined, as closely as possible, on the basis of the following formula:

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

A = the number of shares in the new sub-fund (or class),

B = the number of shares in the original sub-fund (or class),

C = the net asset value per share of the original sub-fund (or class) used on the date in question,

D = the net asset value per share of the new sub-fund (or class) used on the date in question,

and

E = the average exchange rate on the date in question between the currency of the sub-fund to be converted and the currency of the sub-fund to be allocated.

A conversion fee may be applied, such as mentioned and detailed in the *Costs and charges* section and the Fact Sheet for each sub-fund concerned.

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.

Redemption procedure

Shareholders wishing to have all or part of their shares redeemed may apply for the redemption by writing to the Transfer Agent. The request must be irrevocable (with the exception of what is stated further below in the case of the temporary suspension of redemptions) and must state the number, sub-fund and class of shares to be redeemed, and in the case of registered shares, the name under which they are registered. The application must be accompanied by the name under which the shares are registered and any documents certifying the transfer.

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 the Board of Directors, grant exceptions on request to individual Distributors, allowing them an additional reasonable period of a maximum of 1 hour 30 minutes after the SICAV's official cut-off time in order that they may 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.
The total amount due must be paid in the currency of the class.
Payment will be made by bank transfer to the account specified by the shareholder or by cheque sent by mail to the shareholder.

The redemption price of the shares of the SICAV may be greater or less than the purchase price paid by the shareholder at the time of subscription, depending on whether the net asset value has gone up or down.

Temporary suspension of redemptions

The right of any shareholder to apply for redemptions from the SICAV will be suspended during any period in which the calculation of the net asset value per share is suspended by the SICAV by virtue of the powers described in the section entitled "*Temporary suspension of the calculation of the net asset value*" in the Prospectus. Shareholders offering shares for redemption will be advised of the suspension

and of the end of the suspension. The shares in question will be redeemed on the first bank business day in Luxembourg following the lifting of the suspension.

If the 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.

Redemption gates

If the total redemption orders (including conversion orders from one sub-fund to another sub-fund of the SICAV) received for a sub-fund on a given Valuation Date concern more than 10% of the total net assets of the sub-fund in question, the Board of Directors or Management Company may decide on behalf of the SICAV to defer all or some of these orders for as long as it takes to restore the necessary liquidity to honour these orders. Any redemption order deferred in this way will be treated as a priority over redemption orders on following Valuation Dates.

The price applied to these deferred redemptions will be the net asset value of the sub-fund on the date the orders are satisfied (i.e. the net asset value calculated after the period of deferral).

Extension of notice periods

In the context of liquidity risk management, the Board of Directors or the Management Company on behalf of the SICAV may decide to prolong the notice period between receipt of the redemption order and its execution, without affecting the payment period or NAV calculation frequency. The notice period may not in principle be prolonged by more than 10 business days beyond the notice period stated in the Fact Sheet of the sub-funds in question.

Redemption fees

In the context of liquidity risk management, the Board of Directors or the Management Company on behalf of the SICAV may decide to apply redemption fees which take account of liquidity costs (within a predetermined range) and which are paid to the sub-fund in question by shareholders when their shares are redeemed.

Redemptions in kind

From time to time, in order to facilitate the settlement of large redemption requests or under other circumstances, the SICAV may offer an investor a redemption in kind, in which the investor receives a selection of assets from the sub-fund subject to the redemption in kind, of a value equivalent to the redemption price (less any applicable redemption fees). In this case, the investor must give his or her express consent to the redemption in kind. The SICAV and the investor requesting the redemption will agree upon specific settlement procedures.

When accepting a redemption in kind, the SICAV takes into account the interests of the other investors in the sub-fund, the principle of equal treatment, and the restrictions and conditions set out by the applicable laws and regulations.

All fees relating to the redemption in kind are payable by the investor requesting the redemption or by any other third party agreed with the SICAV, or are allocated in any other way deemed fair by the Board of Directors for all investors in the sub-fund.

Where exceptional circumstances make normal execution impossible or detrimental and in the context of liquidity risk management, the Board of Directors or the Management Company on behalf of the SICAV may decide to offer a redemption in kind to a shareholder qualifying as a professional investor.

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 shareholders.

15.1. Market timing

Market timing practices are not permitted.

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

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.

In accordance with the applicable laws and regulations, the Management Company and/or the Transfer Agent may require investors to provide the information and documents necessary for their identification and identity verification ("KYC").

If an investor fails to cooperate (in particular fails to provide the required documents in full and on time or to respond to follow-up requests, or in cases of intentionally opaque conduct), the Management Company and/or the Transfer Agent reserves the right in particular to:

- Refuse, suspend or delay a subscription, redemption or conversion order,
- Freeze the assets of the investor in question,
- Charge the investor administrative and/or research charges corresponding to the reasonable costs incurred in obtaining the required information, which may be directly deducted from the assets or billed separately,
- Carry out compulsory redemption of the shares held and place the assets in a dedicated account with the depositary bank,
- Submit all required notifications and declarations, as applicable, to the competent supervisory authorities.

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 of the shares in 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 twice a month.

The net asset value of active sub-funds is calculated in Luxembourg on each valuation date (the "Valuation Date"), as stated in the Fact Sheets. The net asset value is calculated on the basis of the last known prices on the markets on which the securities held in portfolio are mainly traded. Any reference to the Valuation Date must be interpreted as any Bank Business Day during which the net asset value of the NAV Date is determine, and as specified in the Fact Sheets.

As a rule, the net asset value of each sub-fund will fluctuate in line with the value of the assets included in the underlying portfolio.

In order to determine the net asset value, income and expenditure are taken into account up to the applicable settlement date for subscriptions and redemptions, which will be processed on the basis of the applicable net asset value. The value of the securities held at the end of each Valuation Date is determined in accordance with the articles of incorporation of the SICAV, which stipulate various principles for determining this value, notably the following:

The net assets of each sub-fund will be valued as follows:

I. 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 securities, units, shares, bonds, options or subscription rights and other investments and transferable securities owned by 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 is determined as follows:

(a) Units in undertakings for collective investment are valued on the basis of their last available net asset value unless the publication date of the last net asset value is more than 10 Bank Business Days from the Valuation Date, in which case it will be estimated prudently and in good faith and in accordance with generally accepted principles and procedures.

(b) The value of cash on hand or on deposit, notes and bills payable at sight and accounts receivable, prepaid expenses and dividends and interest announced or due for payment but not yet received, will constitute the nominal value of these assets, except if it is unlikely that the value can be obtained. In the latter case, their value will be determined by deducting an amount considered appropriate by the SICAV to reflect the real value of the assets.

(c) The valuation of any security listed on an official list or on any other regulated market, operating regularly, recognised and open to the public is based on the latest stock market price known in Luxembourg, on the Valuation Date and, if the security is traded on several markets, on the basis of the latest price known on the main market of that security. If the last known price is not representative, the valuation will be based on the probable realisable value that the Board of Directors will estimate prudently and in good faith.

(d) Securities not listed or traded on a stock market or regulated market, which operates on a regular basis and is recognised and open to the public, will be valued on the basis of their probable realisable value estimated prudently and in good faith.

(e) Cash and money market instruments will be valued at their face value plus accrued interest or using the straight-line depreciation method.

(f) All other assets will be valued by the directors on the basis of their probable realisable value, which must be estimated in good faith and according to generally accepted principles and procedures.

The Board of Directors may, at its sole discretion, permit the use of any other generally accepted valuation method where it considers that the resulting valuation better reflects the probable realisable value of an asset held by the SICAV.

II. 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.

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

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

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

V. The net asset value of each sub-fund will be expressed in the currency selected by the Board of Directors as stated in the Fact Sheets.

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

The net asset value of the SICAV is equal to the sum of the net assets of the various sub-funds. The SICAV's capital will at all times be equal to the value of its net assets, and its consolidation currency is the EUR.

VI. A pool of assets will be established for each sub-fund in the following manner:

(a) The proceeds from the issue of shares in a sub-fund will be allocated in the SICAV's accounts to the pool of assets set up for that sub-fund, and assets, liabilities, income and expenses relating to that sub-fund will be allocated to that sub-fund's pool of assets,
(b) Assets deriving from other assets will be allocated in the SICAV's accounts to the same pool of assets as the assets from which they are derived. Whenever an asset is revalued, any increase or reduction in its value will be attributed to the pool of assets of the sub-fund to which the asset belongs,

(c) All of the liabilities of the SICAV which may be allocated to a given sub-fund will be allocated to the pool of assets of that sub-fund,

(d) The assets, liabilities, charges and expenses which cannot be allocated to a specific sub-fund will be allocated to the various sub-funds in equal parts, or insofar as the amounts concerned justify it, proportionate to their respective net assets,

(e) Following any payment of dividends to the shareholders of a sub-fund, the net value of that sub-fund will be reduced by the amount of the dividends.

VII. **Swing pricing**

- **Description of swing pricing and applicable thresholds**

The SICAV may apply swing pricing, as stated in the Fact Sheets if applicable, which is intended to save existing sub-fund shareholders from having to pay charges incurred for transactions on portfolio assets performed in the wake of significant subscriptions to or redemptions from the sub-fund by investors.
Indeed, when there are significant subscriptions to or redemptions from the sub-fund, the asset manager must invest/disinvest the corresponding amounts, thus generating large transactions which may entail variable transaction charges depending on the asset types concerned.
These charges are mainly taxes on certain markets and execution fees billed by brokers. These charges can be fixed amounts or variable in proportion to the volumes traded and/or take the form of the difference between the bid or ask prices for a financial instrument on the one hand and the valuation or average price on the other (typical situation in bond trading for example).
The goal of swing pricing is therefore to have these charges borne by the investors at the origin of the subscription/redemption transactions concerned and to protect existing investors.

In practice, on valuation dates when the difference between the amount of subscriptions and the amount of redemptions of a sub-fund (representing the net transactions) exceeds a threshold set beforehand by the Board of Directors, the Board reserves the right:

- To assess the net asset value by adding a fixed percentage for fees and charges to the NAV (for net subscriptions) or deducting this percentage from the NAV (for net redemptions) with this percentage for fees and charges corresponding to market practice when buying or selling securities – the swing pricing mechanism,

- To value the securities portfolio of this sub-fund on the basis of bid or offer prices or by fixing a spread level representative of the market in question (in the case, respectively, of net inflow or net outflow) – the bid/ask mechanism.

Under no circumstances will the swing pricing and bid/ask mechanisms be applied at the same time.

- **Impact of activating swing pricing and the applicable factor**

- In case of net subscriptions: increase in the net asset value, i.e. an increase in the purchase price for all investors subscribing to shares on that date,

- In case of net redemptions: reduction in the net asset value, i.e. a reduction in the selling price for all investors redeeming their shares on that date.

This increase or reduction in the net asset value is called the "swing factor".
The scope of this variation depends on the estimate made by the Management Company of the transaction charges applied to the types of assets concerned.

The pricing adjustment must not exceed 2% of the net asset value, except in exceptional circumstances, such as in the event of a strong drop in liquidity. If this 2% limit is exceeded, the Management Company will notify the CSSF and advise shareholders by publishing the information on its website www.candriam.com. The details will also be published for the sub-fund concerned in the SICAV's (semi-)annual report.

- **Process by which it is decided to apply swing pricing**

  The Board of Directors has entrusted the Management Company with implementation of swing pricing.
  The Management Company has drawn up a policy detailing how swing pricing works and has implemented operational processes and procedures in order to oversee application of swing pricing by the Administrative Agent and the Transfer Agent.

  The policy detailing the swing pricing applied by the Management Company's has been duly validated by the SICAV's Board of Directors.

- **Methodology to be applied in case of outperformance fees**

  If outperformance fees must be calculated, these fees are calculated before any application of swing pricing, making these fees immune to the impact of swing pricing.

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 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 and the issue, redemption and conversion of shares

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

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, or

b) In an urgent situation as a result of which the SICAV cannot gain access to its investments, or

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, or

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 share classes or types, provided this suspension is justified with a view to protecting the shareholders of the sub-funds or share classes or types in question.

f) If a meeting of shareholders is convened to propose the winding-up of the SICAV.

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

Pending subscriptions and redemption or conversion applications may be withdrawn by means of a written notification, provided such notification is received by the SICAV before the suspension is lifted.

Suspended subscriptions, redemptions and conversions will be processed on the first Valuation Date following the lifting of the suspension.

19. Allocation of income

19.1. General principles

Each year, the general meeting of shareholders votes on proposals put forward by the Board of Directors in this regard.

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

For the distribution classes, the Board of Directors may propose to distribute the net income arising from investments for the financial year, net realised and unrealised capital gains, and the net assets, within the limits of the provisions of the Law.

The Board of Directors may, where it considers appropriate, make interim dividend payments.

19.2. Dividend distribution policy

The SICAV may propose the distribution of dividends to holders of distribution shares. No dividend is generally paid in relation to capitalisation shares.

When the Board of Directors proposes the distribution of dividends at the general meeting of shareholders, the amount distributed is calculated subject to the limits stated by law.

For each share class, annual dividends may be declared separately to the general meeting of shareholders. The Board of Directors also reserves the right to pay interim dividends for each share class during the financial year.

For each share class, the SICAV may pay dividends more frequently as necessary or at different dates during the year as deemed appropriate by the Board of Directors. Share classes with the suffix:

- (m) may distribute dividends on a monthly basis,
- (q) may distribute dividends on a quarterly basis,
- (s) may distribute dividends on a semi-annual basis.

The Board of Directors may define dividend policies and payment methods for dividends and interim dividends.

For instance, the SICAV may offer share classes which will distribute a fixed dividend based on a fixed amount or a fixed percentage of the net asset value per share on the date set by the Board of Directors. This dividend will normally be paid at fixed intervals (quarterly for example) as deemed appropriate by the Board of Directors.

A timetable for payment of dividends including details of the distribution frequency and the basis of calculation of dividends are available from the Management Company or on the website of the Management Company at the following address: www.candriam.com

The attention of shareholders is drawn particularly to the following points:

- The amount of the dividend does not necessarily depend on income received or capital gains realised by the share class.

- The dividend paid may consists of a capital distribution provided that following such distribution, the net asset value of the SICAV is above the minimum capital requirement under Luxembourg law. The dividend paid may exceed the income of the share class, potentially eroding the invested capital. Shareholders should therefore note that when the dividend is higher than the income generated by the investments in a share class, it may be deducted from the capital of the share class in question and from the realised and unrealised capital gains. In some countries, this may result in tax treatment that is detrimental to shareholders. They are therefore advised to evaluate their personal situation with their local tax adviser.

In addition, regarding share classes distributing a fixed dividend, shareholders should note the following in particular:

- During periods of negative performance of a sub-fund/share class, the dividend will continue to be paid as normal. As a result, the capital value of the investment of the sub-fund/share class will fall more quickly. The value of a shareholder's investment could therefore ultimately be reduced to zero.

- The Board of Directors will periodically revise the fixed distribution share classes, reserving the right to make changes. Changes to the distribution policy will be published on the Management Company website.

- Payment of dividends cannot be guaranteed indefinitely.

- The Board of Directors may decide not to distribute a dividend for a share class or to reduce the amount of the dividend to be distributed.

Dividends unclaimed for a period of five years from the payment date can no longer be claimed and will revert to the shares classes concerned.

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.
However, the SICAV is liable in Luxembourg to an annual tax representing 0.05% of the SICAV's net assets. This tax is reduced to 0.01% for classes reserved for institutional investors. 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.

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 will be those set down in the SICAV's 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, share classes or share types

The Board of Directors may decide to close, cancel or liquidate one or more sub-funds, share classes or share types by cancelling the shares in question either by repaying to the shareholders of the one or more sub-funds, share classes or share types the total net asset value of the shares in these one or more sub-funds, share classes or share types, 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, share classes or share types

23.2.1 Merger of share classes or share types

Under the circumstances indicated in article 23.1 above, the Board of Directors may decide to merge one or more share classes or share types 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 together or 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.

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.
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, share classes or share types

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, share class or share type, decide to divide this sub-fund, share class or share type into one or more sub-funds, share classes or share types.

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 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. Costs and charges

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 and to conversions between share classes in the same sub-fund 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 share class and is payable monthly.

24.3. Outperformance fee

In consideration for its portfolio management activity, the Management Company may also receive outperformance fees corresponding to one of the following models:

24.3.1. PERMANENT HWM MODEL

Benchmark

The benchmark is made up of the two following elements:

- A high water mark (HWM) corresponding to a first reference asset based on the highest NAV achieved at the end of a financial year from 31/12/2021.

  The initial HWM corresponds to the NAV of 31/12/2021. If a new share class is activated subsequently or a pre-existing share class is reactivated, the initial NAV of this new class at (re)launch will be used as the initial HWM.

- A hurdle corresponding to a second reference asset based on a theoretical investment of assets at the minimum rate of return which increases the subscription totals and proportionally reduces the redemption totals. If this minimum rate of return is negative, the rate of 0% is used to determine the hurdle rate.

Using a HWM guarantees that investors will not be billed for an outperformance fee while the NAV remains below the highest NAV achieved at the end of a financial year from 31/12/2021.

This variable remuneration aligns the interests of the Management Company with those of the investors and is a link with the sub-fund's risk/return ratio.

Method for calculating the outperformance fee

As the NAV is different for each class of shares, the outperformance fees are calculated independently for each share class, producing fees of different amounts.
The outperformance fee is calculated with the same frequency as the NAV calculation.
The outperformance fee is included in the NAV calculation.

If the NAV upon which fee calculation is based, in other words the NAV after the outperformance fee on redemptions but excluding the outperformance fee on shares still in circulation, is greater than the two components of the reference indicator (HWM and hurdle), this constitutes an outperformance.

The smaller of these two outperformances is the basis of calculation for the provision for an outperformance fee in line with the provisioning rate of this outperformance as set out in the table (the "Provisioning rate") in each Fact Sheet.

In the event of underperformance in relation to one of the two components of the reference indicator, the outperformance fee is reversed in line with the provisioning rate of this underperformance. Nevertheless, the accounting provision for the outperformance fee will never be negative.

When a dilution adjustment is applied to the NAV, it is excluded from the outperformance fee calculation.

In the case of share classes with distribution rights, any distributions of dividends will have no effect on the outperformance fee of the share class.

For each share class denominated in the currency of the sub-fund, outperformance fees are calculated in this currency, whereas for share classes denominated in another currency, whether or not they are currency hedged, the outperformance fees will be calculated in the currency of the share class.

Reference period

The reference period corresponds to the full term of the sub-fund or share class.
In general, the outperformance fee is determined for each 12 month period corresponding to the financial year.

Crystallisation

Any positive outperformance fee is crystallised, in other word becomes payable to the Management Company:

- At the end of each financial year. However, in the case of activation or reactivation of a class, the first crystallisation of outperformance fees for this share class cannot take place (apart from redemptions) until the end of the financial year following the financial year during which the class was (re)activated,
- At the time of each redemption identified on each NAV calculation, in proportion to the number of shares redeemed. In this case, the outperformance fee provision will be reduced by the amount crystallised in this way,
- If applicable, on the closing date of a share class during a financial year.

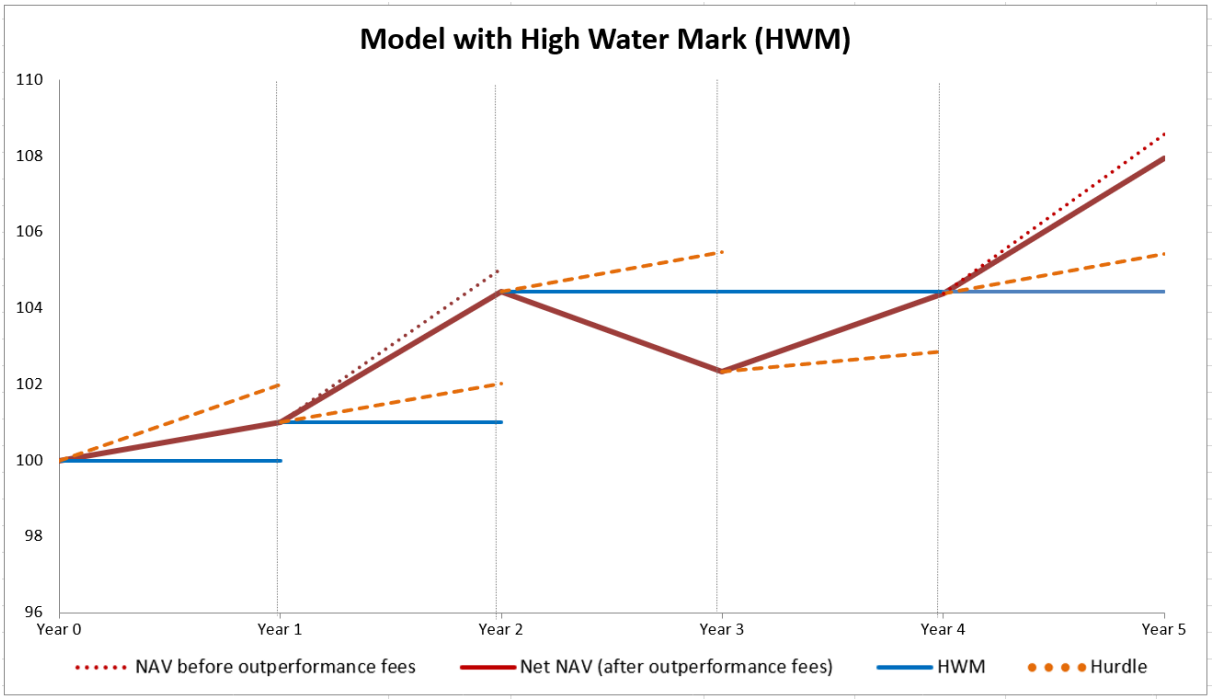
In addition, and in accordance with the rules, an outperformance fee may be crystallised:

- In the event of merger/liquidation of the sub-fund/share classes during a financial year,
- If the outperformance mechanism changes.

Clawback of negative performances

In the event of negative performance recorded during a financial year, the underperformance will be carried over to the following financial year. The HWM will in this case remain identical to that of the previous financial year.
As for the hurdle, it is reinitialised at the start of each financial year regardless of whether an outperformance fee has been crystallised or not.

Examples illustrating the outperformance fee model applied



Year 1: The NAV is higher than the high water mark but lower than the hurdle.
No performance fee is paid. The HWM is adjusted.

Year 2: The end of period NAV is higher than the high water mark and the hurdle.
An outperformance fee is paid. The HWM is adjusted.

Year 3: The end of period NAV is lower than the high water mark and the hurdle.
No performance fee is paid. The HWM does not change.

Year 4: The end of period NAV is higher than the hurdle but not higher than the high water mark.
No performance fee is paid. The HWM does not change.

Year 5: The end of period NAV is higher than the high water mark and the hurdle.
An outperformance fee is paid. The HWM is adjusted.

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
NAV - Start of period	0	100	101	104.4	102.3	104.4
Return of the share class (after charges)		1%	4%	-2%	2%	4%
NAV - End of period (before outperformance fees)	100	101	105	102.3	104.4	108.6
Hurdle - Start of period		100	101	104.4	102.3	104.4
Hurdle return (0% if negative)		2%	1%	1%	0.5%	1%
Hurdle - End of period	100	102	102	105.5	102.9	105.4
HWM - Start of period		100	101	104.4	104.4	104.4
Share class outperformance		0.0	3.03	0.0	0.0	3.1
Outperformance fee due		NO	YES	NO	NO	YES
Commission de surperformance (20%)		0.0	0.61	0.0	0.0	0.63
Net NAV - End of period (after outperformance fees)	100	101	104.4	102.3	104.4	107.9
HWM - End of period	100	101	104.4	104.4	104.4	107.9

24.3.2 5Y HWM model

Benchmark

The benchmark is made up of the two following elements:

- A high water mark (HWM) corresponding to a first reference asset based on the highest NAV achieved at the end of a financial year over the current reference period, from 31/12/2021.

  The initial HWM corresponds to the NAV of 31/12/2021. If a new share class is activated subsequently or a pre-existing share class is reactivated, the initial NAV of this new class at (re)launch will be used as the initial HWM.

- A hurdle corresponding to a second reference asset based on a theoretical investment of assets at the minimum rate of return which increases the subscription totals and proportionally reduces the redemption totals. If this minimum rate of return is negative, the rate of 0% is used to determine the hurdle rate.

Using a 5 year HWM model guarantees that investors will not be billed for an outperformance fee while the NAV remains below the highest NAV achieved at the end of a financial year over the relevant reference period.

This variable remuneration aligns the interests of the Management Company with those of the investors and is a link with the sub-fund's risk/return ratio.

Method for calculating the outperformance fee

As the NAV is different for each class of shares, the outperformance fees are calculated independently for each share class, producing fees of different amounts.
The outperformance fee is calculated with the same frequency as the NAV calculation.
The outperformance fee is included in the NAV calculation.

If the NAV upon which fee calculation is based, in other words the NAV after the outperformance fee on redemptions but excluding the outperformance fee on shares still in circulation, is greater than the two components of the reference indicator (HWM and hurdle), this constitutes an outperformance.

The smaller of these two outperformances is the basis of calculation for the provision for an outperformance fee in line with the provisioning rate of this outperformance as set out in the table (the "Provisioning rate") in each Fact Sheet.

In the event of underperformance in relation to one of the two components of the reference indicator, the outperformance fee is reversed in line with the provisioning rate of this underperformance. Reversal of a provision, however, will not exceed the past outperformance fees.

When a dilution adjustment is applied to the NAV, it is excluded from the outperformance fee calculation.
In the case of share classes with distribution rights, any distributions of dividends will have no effect on the outperformance fee of the share class.
For each share class denominated in the currency of the sub-fund, outperformance fees are calculated in this currency, whereas for share classes denominated in another currency, whether or not they are currency hedged, the outperformance fees are calculated in the currency of the share class.

Reference period and period of clawback of negative performances

The reference period is 5 years.

At each financial year start ("year X"),

- The high water mark is initialised at the highest of the net asset values achieved at the end of the 5 previous financial years (i.e. year ends X-1, X-2, X-3, X-4 and X-5).

  Until 31/12/2026, however, the reference period will only date back as far as 31/12/2021.

- The hurdle is reinitialised at the level of the net asset value of the end of the previous financial year.

Crystallisation

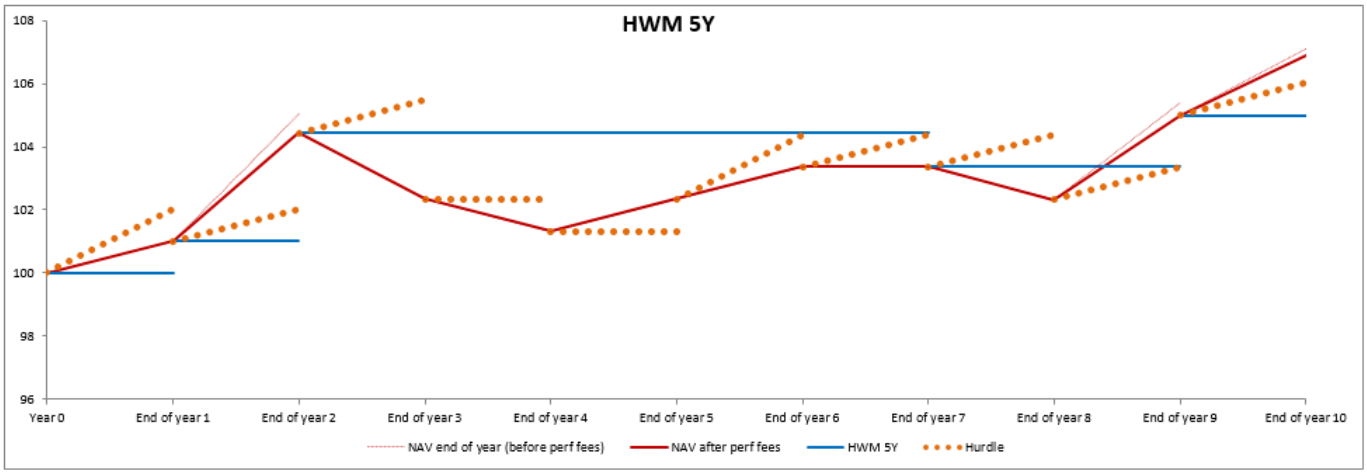
Any positive outperformance fee is crystallised, in other word becomes payable to the Management Company:

- At the end of each financial year. However, in the case of activation or reactivation of a class, the first crystallisation of performance fees for this share class cannot take place (apart from redemptions) until the end of the financial year following the financial year during which the class was (re)activated,
- At the time of each redemption identified on each NAV calculation, in proportion to the number of shares redeemed. In this case, the outperformance fee provision will be reduced by the amount crystallised in this way,
- If applicable, on the closing date of a share class during a financial year.

In addition, and in accordance with the rules, an outperformance fee may be crystallised:

- In the event of merger/liquidation of the sub-fund/share classes during a financial year,
- If the outperformance mechanism changes.

Examples illustrating the outperformance fee model applied



Year 1: The end of year NAV is higher than the HWM but less than the hurdle.
No performance fees payable.
The HWM does not change.

Year 2: The end of year NAV is higher than the HWM and the hurdle.
Performance fees payable.
A new reference period starts with an adjusted HWM.

Year 3: The end of year NAV is lower than the HWM and the hurdle.
No performance fees payable.
The HWM does not change.

Year 4: The end of year NAV is lower than the HWM and the hurdle.
No performance fees payable.
The HWM does not change.

Year 5: The end of year NAV is higher than the hurdle but less than the HWM.
No performance fees payable.
The HWM does not change.

Year 6: The end of year NAV is lower than the HWM and the hurdle.
No performance fees payable.
The HWM does not change.

Year 7: The end of year NAV is lower than the HWM and the hurdle.
No performance fees payable.
After 5 years of underperformance, a new reference period starts with an adjusted HWM.
The HWM is adjusted at the highest NAV end of year among the last 5 years.

Year 8: The end of year NAV is lower than the HWM and the hurdle.
No performance fees payable.
The HWM does not change.

Year 9: The end of year NAV is higher than the HWM and the hurdle.
Performance fees payable.
A new reference period starts with an adjusted HWM.

Year 10: The end of year NAV is higher than the HWM and the hurdle.
Performance fees payable.
A new reference period starts with an adjusted HWM.

24.3.3 5Y CLAWBACK model

Benchmark index

The benchmark is the benchmark stated in the fact sheet of each affected sub-fund.
A reference asset, based on a theoretical investment of assets at the rate of return of the benchmark which increases the subscription totals and proportionally reduces the redemption totals, is calculated and is compared against the NAV. In other words, a relative performance of the sub-fund compared to its benchmark is calculated.

An outperformance fee is billed when the relative performance of the NAV compared to the performance of the reference asset is positive, subject to a model to recover (or "claw back") possible future underperformances over a rolling 5 year period.

This recovery model guarantees that investors will not be billed for an outperformance fee unless any past relative underperformances have been recovered over the relevant reference period.

This variable remuneration aligns the interests of the Management Company with those of the investors and is a link with the sub-fund's risk/return ratio.

Method for calculating the outperformance fee

As the NAV is different for each class of shares, the outperformance fees are calculated independently for each share class, producing fees of different amounts.
The outperformance fee is calculated with the same frequency as the NAV calculation.
The outperformance fee is included in the NAV calculation.

If the NAV, after deducting the outperformance fee on redemptions but not the outperformance fee for shares still in circulation, and after deducting all other costs, is greater than the benchmark assets, a relative outperformance is recognised.

This relative outperformance is the basis of calculation for the provision for an outperformance fee in line with the provisioning rate of this outperformance as set out in the table in the fact sheet for each sub-fund (the "Provisioning rate").

In the event of underperformance in relation to the reference asset, the outperformance fee is reversed in line with the provisioning rate of this underperformance. Reversal of a provision, however, will not exceed the past outperformance fees.

When a dilution adjustment (positive or negative) is applied to the NAV, it is excluded from the outperformance fee calculation.

In the case of share classes with distribution rights, the impact of any distributions of dividends is neutralised through the calculation of the outperformance for the share class.

For each share class denominated in the currency of the sub-fund, outperformance fees are calculated in this currency, whereas for share classes denominated in another currency, whether or not they are currency hedged, the outperformance fees will be calculated in the currency of the share class.

Reference period and period of clawback of relative underperformances

The reference period is 5 years. The first period starts on 01/01/2022, or on the (re)activation date of a share class if this is later.

If a relative outperformance is identified at the end of the financial year, the outperformance fee will not be deducted by the Management Company unless possible underperformances in relation to the reference asset over the previous financial years of the reference period have been clawed back.

In such a case, outperformance fees are crystallised at the end of the financial year, and a new reference period begins with a new benchmark asset set to the net asset value as it is at the end of the said financial year.

After 5 consecutive years without crystallisation, under-performances that have not been offset and that date from before the five year period in question will no longer be taken into account when calculating the outperformance fee.

Crystallisation

Any positive outperformance fee is crystallised, in other word becomes payable to the Management Company:

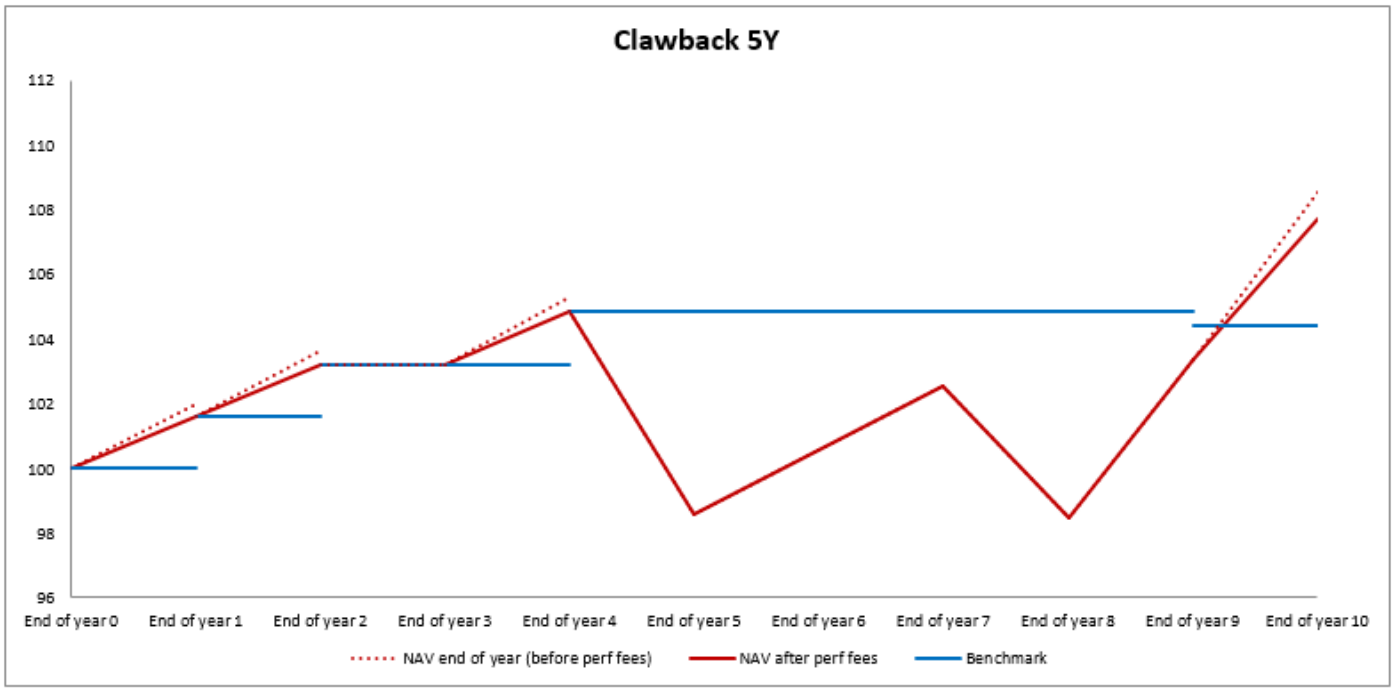
- At the end of each financial year. However, in the case of activation or reactivation of a class, the first crystallisation of performance fees for this share class cannot take place (apart from redemptions) until the end of the financial year following the financial year during which the class was (re)activated,
- At the time of each redemption identified on each NAV calculation, in proportion to the number of shares redeemed. In this case, the outperformance fee provision will be reduced by the amount crystallised in this way,
- If applicable, on the closing date of a share class during a financial year.

In addition, and in accordance with the rules, an outperformance fee may be crystallised:

- In the event of merger/liquidation of the sub-fund/share classes during a financial year,
- If the outperformance mechanism changes.

Any crystallisation of the outperformance fee is definitively payable to the Management Company.

Examples illustrating the outperformance fee model applied



	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
NAV - Beginning of year		100	101.6	103.2	103.2	104.9	98.6	100.6	102.6	98.5	103.4
Share class performance		2%	2%	0%	2%	-6%	2%	2%	-4%	5%	5%
NAV - End of year (before perf fees)	100	102	103.6	103.2	105.3	98.6	100.6	102.6	98.5	103.4	108.6
Benchmark - Beginning of year		100	101.6	103.2	103.2	104.9	104.9	104.9	104.9	104.9	104.4
Benchmark performance		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Benchmark - End of year	100	100	101.6	103.2	103.2	104.9	104.9	104.9	104.9	104.9	104.4
Share class performance vs benchmark		2.0	2.0	0.0	2.1	0.0	0.0	0.0	0.0	0.0	4.1
Performance fees payable		YES	YES	NO	YES	NO	NO	NO	NO	NO	YES
Performance fees amount (20%)		0.4	0.4	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.8
NAV- End of year (after perf fees)	100	101.6	103.2	103.2	104.9	98.6	100.6	102.6	98.5	103.4	107.7
Over/underperformance share class vs benchmark		2%	2%	0%	2%	-6%	2%	2%	-4%	5%	5%
Underperformance to be compensated in the following year		0%	0%	0%	0%	-6%	-4%	-2%	-6%	-1%	0%

Year 1: The end of year NAV is greater than the benchmark index.
Performance fees payable.

Year 2: The end of year NAV is greater than the benchmark index, no previous underperformance needs to be offset.
Performance fees payable.

Year 3: The end of year NAV is lower than or equal to the benchmark index.
No performance fees payable.

Year 4: The end of year NAV is greater than the benchmark index, the previous underperformance has been offset.
Performance fees payable.

Year 5: The end of year NAV is lower than the benchmark index.
No performance fees payable.

Year 6: The performance of the share class is greater than that of the benchmark index but the past underperformance has not been offset. The end of year NAV is lower than the benchmark index.
No performance fees payable.

Year 7: The performance of the share class is greater than that of the benchmark index but the past underperformance has not been offset. The end of year NAV is lower than the benchmark index.
No performance fees payable.

Year 8: The performance of the share class is again underperforming the benchmark index and previous underperformance has not been offset. The end of year NAV is lower than the benchmark index.
No performance fees payable.

Year 9: After 5 years of underperformance carried forward, the -6% underperformance of year 5 is finally offset (+2% year 6 / +2% year 7 / -4% year 8 / +5 year 9). The +2% of year 9 is still offsetting the underperformance of year 5. Hence, the underperformance still needing to be offset as at the end of year 9 is -1%. The performance of the share class is greater than that of the benchmark but the past underperformance has not been offset. The end of year NAV is lower than the benchmark index.
No performance fees payable.

Year 10: The end of year NAV is greater than the benchmark index, the previous underperformance has been offset.
Performance fees payable.

The performance graphics and outperformance fee tables presented in this document are simulations and/or are based solely on assumptions. They cannot be considered to be reliable indicators of future performance. They are in no way a guarantee that the fund will achieve or will be likely to achieve performances or receive performance fee amounts similar to those presented.

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) The expenses incurred directly by the SICAV, including, among others, fees and charges owing to the Depositary and the principal paying agent, commissions and fees for auditors, share class hedging charges, 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 share class.

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

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

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

Charges and costs not directly attributable to a specific sub-fund will be allocated equally among the various sub-funds or, where the amount of charges and costs so requires, will be allocated among the sub-funds proportionate to their respective net assets.

25. Shareholder information

25.1. Publication of the net asset value

The net asset value per share of each sub-fund and/or per share class of each sub-fund, together with the issue, redemption and conversion prices will be published on each Valuation Date and will be available from the registered office of the SICAV in Luxembourg and from the financial services authorities in the countries where the SICAV is marketed.
The net asset value may also be published in one or more newspapers selected freely from time to time by the Board of Directors.

25.2. 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.

Reports to shareholders on the previous financial year and the results will be available from the registered office of the SICAV.
The financial statements of the SICAV are prepared in compliance with the generally accepted accounting principles in Luxembourg, known as "Luxembourg GAAP".

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

25.3. Documents of the SICAV

The SICAV's Prospectus, key information documents, articles of incorporation and its annual and semi-annual reports are available to the public, free of charge, on bank business days and during normal office opening hours from the registered office of the SICAV.
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.

25.4. Auditors

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

25.5. 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.

In addition, the Management Company is a branch of the New York Life Investment Management Holdings LLC ("NYLIM") group, and may share with affiliates and associates of NYLIM certain information regarding shareholders and legal entities registered with the shareholders' register for the purposes of (i) improving reporting obligations related to NYLIM's oversight activity over the Management Company or other affiliates and associates and (ii) optimising commercial synergies within NYLIM. This information may include, in particular, their name/denomination, their postal address, their scope of the activity for companies and the identity of the group to which the shareholder belongs, if applicable.

25.6. Information for investors located in Asia

To facilitate communication in the Asian time zones, investors have the option of contacting CACEIS Malaysia Sdn. Bhd 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

26.1 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**").

26.2 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.

26.3 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.

26.4 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. 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.

26.5 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 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.

Annex I – Fact Sheets

Candriam Bonds Capital Securities
Fact Sheet

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 objective of the sub-fund is to use discretionary management to benefit from the performance of the market in subordinated bonds issued by companies based in OECD countries, and to outperform the benchmark.

This sub-fund may be appropriate **for well-informed investors** who wish to achieve this objective over a medium 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 assets of this sub-fund are primarily invested in subordinated debt securities (bonds and other analogous securities including contingent convertible (additional Tier 1 & Tier 2)) bonds issued by good-quality private companies in the financial sector located in OECD countries whose bonds must be rated at least B-/B3 (or equivalent) at the time of purchase by at least one of the rating agencies or considered to be of comparable quality by the Management Company (especially if there is no rating).

Contingent convertible bonds will represent not more than 70% of the net assets of the sub-fund. **These securities involve additional risks such as mechanisms for absorbing loss, which may lead to the capital and/or capitalised interest being written down in value or to conversion into shares. Also, because of the legal complexity, each security has its own particular features.**

If the sub-fund's assets were to drop below the rating indicated above following a downgrade or were no longer considered to be of a comparable quality by the Management Company, then these assets should be sold, in the best interests of shareholders, within six months.
However, if these assets, which no longer meet the rating criteria, account for less than 3% of the net asset value of the sub-fund, then they may be kept in the portfolio, with the agreement of the Management Company and insofar as the interests of shareholders are preserved.

The remainder of the assets are invested in transferable securities or money-market instruments other than those described above, or in cash.

The sub-fund may invest a maximum of 10% of its assets in UCIs and/or UCITS.

Exposures to currencies other than the euro will be hedged against foreign exchange risk.
As the risks cannot be fully hedged at all times, a marginal residual foreign exchange risk may remain.

The sub-fund may make use of derivative financial instruments on regulated and/or over-the-counter markets (especially swaps, forwards, options or futures) for the purpose of exposure and/or hedging and/or arbitrage. The underlyings of these derivative financial instruments may be currencies, interest rates, credit spreads, equities, equity indices and volatility.
Total return swaps may relate to a maximum of 25% of the net assets of the sub-fund. The proportion is normally expected to vary between 0% and 20%.

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

In this context, the sub-fund's ESG score is evaluated in comparison with that of the benchmark index, seeking to achieve a better score than the benchmark index. This analysis of private sector issuers is applied to at least 90% of the sub-fund's investments, apart from deposits, cash, cash investment transactions, and index derivatives.

The analysis of ESG criteria is also embedded in the financial management of the portfolio.

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

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

For more information about the ESG criteria, please see the transparency code which is available via the following link:
https://www.candriam.com/documents/candriam/article_205/en/document.pdf

3. Efficient portfolio management techniques

The sub-fund will use securities lending transactions in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may reach a maximum of 50% of the net assets of the portfolio, under certain market conditions.
In any case, these operations will only be carried out if market conditions allow income to be generated for the sub-fund.

The sub-fund will use reverse repurchase agreements in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may reach a maximum of 50% of the net assets of the portfolio, under certain market conditions.
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 will 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. 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	▪ 50% ICE BofA Contingent Capital Index EUR Hedged (Total Return) ▪ 50% ICE BofA Euro Financial Subordinated & Lower Tier-2 Index (Total Return).
Index definition	▪ ICE BofA Euro Financial Subordinated & Lower Tier-2: measures the performance of investment grade and below investment grade bonds issued on the main domestic and eurobond markets of the eurozone countries. ▪ ICE BofA Contingent Capital Index Hedged EUR: measures the performance of investment grade and below investment grade contingent convertible bonds issued on the main domestic and eurobond markets.

Use of the index	▪ As an investment universe. In general, the issuers contained in the sub-fund portfolio are mostly contained in the index. However, investments outside the index are permitted, ▪ In determining risk levels / risk parameters, ▪ To compare performance, ▪ To calculate the outperformance fee for some share classes.
Divergence of portfolio composition from the index	As the sub-fund is managed actively, it does not aim to invest in each component of the index nor to invest in the same proportions as the components of the index. In normal market conditions, the expected tracking error of the sub-fund will be moderate to large, namely between 0.75% and 3%. This measure is an estimation of the divergence of the sub-fund's performance compared to the performance of the benchmark. The greater the tracking error, the greater the deviations from the index. The actual tracking error depends in particular on market conditions (volatility and correlations between financial instruments) and may therefore differ from the expected tracking error.
Index provider	ICE Data Indices LLC
	The benchmark index is provided by ICE Data Indices LLC which, since Brexit, is an entity which is covered by the transitional provision in Article 51(5) of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.
	The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark 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.

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Risk associated with investing in CoCos
- Risk associated with derivative financial instruments
- Liquidity risk
- Concentration risk
- Counterparty risk
- Sustainability risk
- ESG investment risk
- Equity risk
- Risk of changes to the benchmark index by the index provider
- Risk related to external factors

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.

5.2 Risk management

The total exposure is calculated using the relative VaR approach as described in the section entitled "*Risk management*".
The benchmark for VaR is a mixed indicator composed of the ICE BofA Contingent Capital Index Hedged EUR (Total Return) (50%) and the ICE BofA Euro Financial Subordinated & Lower Tier-2 Index (Total Return) (50%).
As an indication, the leverage of this sub-fund is a maximum of 350% of net assets. The sub-fund could, however, be exposed temporarily to a higher leverage.
The leverage is calculated for each derivative instrument according to the notional value method and is added to the securities portfolio of the sub-fund.

5.3 Liquidity management tools

- Gates
- Redemptions in kind
- Swing pricing

The general explanation of the various liquidity management tools is given in the section entitled Risk management in the Prospectus.

6. Valuation currency of the sub-fund: EUR

7. Form of the shares: registered shares only

8. Share classes

- **Classique** Class capitalisation shares [LU1616742737]
- **Classique** Class distribution shares [LU1616743032]
- **I** Class capitalisation shares [LU1616743388]
- **PI** Class capitalisation shares [LU1797525224]
- **R** Class capitalisation shares [LU1616743545]
- **R2** Class capitalisation shares [LU3168152356]
- **R2** Class distribution shares [LU3168152430]
- **VB** Class capitalisation shares [LU3168152513]
- **Z** Class capitalisation shares [LU1616743974]
- **ZB** Class capitalisation shares [LU3168152604]

9. Minimum subscription

No minimum subscription is required for the different share classes **except for the following classes**:

- The minimum initial subscription for the **Classique** Class is EUR 10,000. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.
- The minimum initial subscription for the **PI** Class is EUR 1,000,000. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

10. Fees and charges

Classes	Fees and charges				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max 2.5%	0%	Max 2.5%	Max 1%	Max. 0.35%
I	0%	0%	0%	Max 0.60%	Max 0.28%
PI	0%	0%	0%	Max 0.60%	Max 0.28%
R	Max 2.5%	0%	0%	Max 0.70%	Max. 0.35%
R2	Max 2.5%	0%	0%	Max 0.40%	Max 0.28%
VB	0%	0%	0%	Max 0.60%	Max 0.28%
Z	0%	0%	0%	0%	Max 0.28%
ZB	0%	0%	0%	0%	Max 0.28%

Outperformance fee

For each share class in the table below, the Management Company may be entitled to an outperformance fee calculated according to the "5Y Clawback" methodology defined in the section entitled *Costs and charges, Outperformance* fees in the Prospectus and based on the outperformance of the NAV in relation to the benchmark as defined in the table below.

Class	Currency	ISIN	Provisioning rate	Benchmark	Methodology
I	EUR	LU1616743388	20%	50% ICE BofA Contingent Capital Index EUR Hedged (Total Return) 50% ICE BofA Euro Financial Subordinated & Lower Tier-2 Index (Total Return)	5Y Clawback

11. Frequency of net asset value calculation: Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

Candriam Bonds Convertible Defensive
Fact Sheet

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 objective of the sub-fund is to use discretionary management to benefit from a positive performance of the market in convertible bonds with a maturity of less than 5 years, and to outperform the benchmark.

This sub-fund may be appropriate for investors of any type who wish to achieve this objective over a medium 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 assets of this sub-fund are invested principally in convertible bonds and the bonds of issuers rated at least BBB-/Baa3 at the time of purchase and maturing within 5 years.
The sub-fund takes into account an analysis of ESG criteria as set out in the *Investment policy* section of the Prospectus.

The sub-fund may also invest up to 30% of its assets in synthetic convertible bonds that aim to replicate the risk profile of a convertible bond, which may be obtained, for example, by investing in a negotiable debt security and in a stock option.

The remainder of the assets may be invested in securities (with a maximum of 10% in shares) or money market instruments other than those described above or in cash.

Exposures to currencies other than the euro will generally be hedged. Under no circumstances will the non-euro exposures exceed 10%.

The sub-fund may also make use of derivative financial instruments on the regulated and/or over-the-counter markets for the purpose of hedging, exposure and/or arbitrage.

The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility spreads such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps, total return swaps), forwards, options and futures. Total return swaps may relate to a maximum of 50% of the net assets of the sub-fund. The proportion is normally expected to vary between 0% and 25%.

For example the sub-fund may carry out transactions with interest rates, equities, credit or currencies for purposes of hedging, exposure and/or arbitrage.

The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

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

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 analysis of ESG criteria is also embedded in the financial management of the portfolio.
The sub-fund also seeks to exclude certain companies as described in the SFDR Annex.

Under certain conditions, the analysis and selection process may also be accompanied by active involvement based on dialogue with the companies.
For more information about the ESG criteria, please see the transparency code which is available via the following link:

https://www.candriam.com/documents/candriam/article_205/en/document.pdf

3. Efficient portfolio management techniques

The sub-fund will use securities lending transactions in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may reach a maximum of 50% of the net assets of the portfolio, under certain market conditions.
In any case, these operations will only be carried out if market conditions allow income to be generated for the sub-fund.

The sub-fund will use reverse repurchase agreements in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may reach a maximum of 50% of the net assets of the portfolio, under certain market conditions.
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 will 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. 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, ▪ To calculate the outperformance fee for some share classes.
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.

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Equity risk
- Credit risk
- Emerging countries risk
- Interest rate risk
- Liquidity risk
- Risk associated with derivative financial instruments
- Counterparty risk
- Sustainability risk
- ESG investment risk
- Foreign exchange risk
- Volatility risk
- Risk of changes to the benchmark index by the index provider
- Risk related to external factors
- Hedging risk of the share classes

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.

5.2 Risk management

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

5.3 Liquidity management tools

- Gates
- Redemptions in kind
- Swing pricing

The general explanation of the various liquidity management tools is given in the section entitled Risk management in the Prospectus.

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

7. Form of the shares: registered shares only.

8. Share classes

- **Classique** Class capitalisation shares, denominated in EUR [LU0459959929]
- **Classique** Class distribution shares, denominated in EUR [LU0459960000]

- **I** Class capitalisation shares, denominated in EUR [LU0459960182]
- **I** Class distribution shares, denominated in EUR [LU0459960265]

- **R** Class capitalisation shares, denominated in EUR [LU2385346742]
- **R-H** Class capitalisation shares, denominated in USD [LU1616744279]
- **R2** Class capitalisation shares, denominated in EUR [LU1410483926]
- **R2** Class distribution shares, denominated in EUR [LU1410484064]

- **VB** Class capitalisation shares, denominated in EUR [LU2878941124]
- **VB** Class distribution shares, denominated in EUR [LU2878943500]

- **Z** Class capitalisation shares, denominated in EUR [LU0459960349]
- **Z** Class distribution shares, denominated in EUR [LU0459960422]

- **ZB** Class capitalisation shares, denominated in EUR [LU3168152786]

9. Minimum subscription

No minimum subscription is required for the different classes.

10. Fees and charges

Classes	Fees and charges					
	Issue		Exit *(3)*	Conversion *(3)*	Portfolio management	Operational and administrative charges
	(1)	*(2)*				
Classique	Max 2.5%	0%	0%	Max 2.5%	Max 0.90%	Max 0.29%
I	0%	0%	0%	0%	Max 0.50%	Max 0.23%
R	Max 2.5%	0%	0%	0%	Max 0.60%	Max 0.29%
R2	Max 2.5%	0%	0%	Max 2.5%	Max 0.36%	Max 0.29%
VB	0%	0%	0%	0%	Max 0.36%	Max 0.29%
Z	0%	0%	0%	0%	0%	Max 0.23%
ZB	0%	0%	0%	0%	0%	Max 0.23%

(1) This fee may be deducted for any subscription and is payable to the distributor.
(2) This fee may be deducted for any subscription and is payable to the sub-fund.
(3) This fee may be deducted and is payable to the sub-fund and in accordance with the principle of equal treatment of all shareholders. This fee will cover the actual charges for realising the assets.

Outperformance fee

For each share class in the table below, the Management Company may be entitled to an outperformance fee calculated according to the "5Y High Water Mark" methodology defined in the section entitled *Costs and charges, Outperformance fees* in the Prospectus and based on the outperformance of the NAV in relation to the reference indicator as defined in the table below.

Class	Currency	ISIN	Provisioning rate	Minimum return rate	Methodology
I	EUR	LU0459960182	20%	Capitalised €STR +2% (floored at 0)	5Y High Water Mark
I	EUR	LU0459960265			

11. Frequency of net asset value calculation: Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions	Redemptions
Cut-off	D at midday (Luxembourg time)	D at midday (Luxembourg time)
NAV date	D	D
Valuation date	D+1	D+1
Payment date	D+3	D+3

This Fact Sheet forms an integral part of the Prospectus dated 14 September 2026.

Candriam Bonds Credit Alpha
Fact Sheet

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 objective of the sub-fund is to use discretionary management to outperform the benchmark with a volatility objective below 10% under normal market conditions. However, the volatility may be higher, particularly under abnormal market conditions.

The sub-fund will seek to benefit from investment opportunities (both buying and selling) in bonds and derivatives of private-sector issuers located in the developed countries.

The sub-fund holds high yield securities which are generally poorly rated and exposed to higher credit risk and liquidity risk than more highly rated securities; they may be subject to greater market value fluctuations and lower liquidity. This sub-fund thus carries a higher risk than a sub-fund investing in traditional bonds.

This sub-fund may be appropriate for investors who wish to achieve this objective over a medium investment holding period, insofar as they 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 assets of this sub-fund are primarily invested in:

- Debt securities (bonds and other equivalent securities such as subordinated corporate debt for up to 40% of the net assets) rated at least CCC/Caa2 by a recognised rating agency at the time of purchase or considered to be of equivalent quality by the Management Company. The issuers of these securities are located in the developed countries.

- Credit derivatives (credit default swaps and total return swaps) whose underlying asset is rated at least CCC/Caa2 by a recognised rating agency at the time of purchase or considered to be of equivalent quality by the Management Company. The underlyings of total return swaps may either be bonds or equivalent securities, or financial indices (such as leveraged loan indices)

  Exposure to the credit market and to risk assets in general:

  The sub-fund may seek to benefit from the narrowing of credit spreads through a long position (with the risk of losses if they widen), and also from the widening of credit spreads through a short position (with the risk of losses if they narrow).

  In the former case, the positive exposure is created through the purchase of debt securities (bonds and other equivalent securities), through the sale of protection on the credit default swaps (CDS) market, or through a long position via a total return swap (TRS).

  The only way to create a short exposure, however, is through the purchase of protection on the same CDS market or a short position via a TRS.
  The net credit exposure of the fund may vary between -100% and +100%.
  The total duration of the portfolio may vary between -5 years and +5 years.

  The TRSs may relate to a maximum of 200% of the net assets of the sub-fund. The proportion is normally expected to vary between 75% and 125%.

The remainder of the assets may be invested in transferable securities or money-market instruments other than those described above, in particular:

- Securities of sovereign issuers or quasi-sovereign issuers,
- Contingent convertible bonds (CoCos) (maximum 10% of net assets),
- Convertible bonds (maximum 10% of net assets),
- Distressed debts (maximum 10% of net assets) in other words securities issued by issuers facing or imminently facing payment difficulties and considered as such by the Management Company on the basis of rating criteria and market criteria (especially prices and spreads).

Temporarily, in the absence of investment opportunities, the sub-fund may be maintained in cash or equivalent (money market instruments, repo, reverse repo, sovereign and quasi-sovereign bonds, etc.).

Exposures to currencies other than the euro will generally be hedged. Under no circumstances will the non-euro exposures exceed 10%.

The sub-fund may make use of derivative financial instruments on regulated and/or over-the-counter markets (especially swaps, forwards, options or futures) for the purpose of hedging, exposure and/or arbitrage.
The underlyings of these derivative financial instruments can be currencies, interest rates, credit rates and volatility rates, based on individual underlying assets or on indices.

The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

The management team makes discretionary investment choices according to its expectations based on fundamental analyses of the issuers (qualitative assessment of the financial and non-financial elements of the issuers), on legal analyses (assessment of specific clauses of the assets) and on quantitative analyses (assessment of the valuation of the assets).

In order to achieve its management objective, the sub-fund has two investment strategies:

- A fundamental long/short strategy which consists of purchasing "long" financial instruments with appreciation potential and "short" financial instruments - through derivatives - which the management team expects to depreciate,

- A quantitative long/short strategy which consists of creating arbitrage positions on a particular issuer or sector in order to benefit from possible market inefficiencies.

The amounts allocated to each of these strategies vary according to market opportunities.
The sub-fund may also adjust its credit exposure according to its market expectations.

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

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 75% of the sub-fund's investments, apart from deposits, cash and index derivatives.

The analysis of ESG criteria is also embedded in the financial management of the portfolio.

The sub-fund also seeks to exclude certain companies as described in the SFDR Annex.
Under certain conditions, the analysis and selection process may also be accompanied by active involvement based on dialogue with the companies.

3. Efficient portfolio management techniques

The sub-fund does not use securities lending transactions.
The sub-fund will use reverse repurchase agreements in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may reach a maximum of 75% of the net assets of the portfolio, under certain market conditions.
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 will 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. 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, ▪ To calculate the outperformance fee for some share classes. For share classes in currencies other than the currency of the sub-fund, another corresponding index may be used in order to calculate performance fees as applicable (see "Outperformance fee" below)
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.

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Risk associated with derivative financial instruments
- Arbitrage risk
- Liquidity risk
- Counterparty risk
- Risk arising from distressed debts
- Sustainability risk
- ESG investment risk
- Equity risk
- Risk associated with investing in CoCos
- Foreign exchange risk
- Volatility risk
- Emerging countries risk
- Risk of changes to the benchmark index by the index provider
- Risk related to external factors
- Hedging risk of the share classes

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

5.2 Risk management

The total exposure will be calculated using the absolute VaR approach as described in the section entitled "Risk management".
The total risk may not exceed an absolute VaR of 20%. This VaR uses a confidence level of 99% and a timeframe of 20 days.

The leverage of this sub-fund should generally vary between 100% and 300%.
The maximum leverage of this sub-fund will be 450%.
This leverage will be calculated for each derivative instrument according to the notional value method and is added to the securities portfolio of the sub-fund.

5.3 Liquidity management tools

- Gates
- Redemptions in kind
- Swing pricing

The general explanation of the various liquidity management tools is given in the section entitled Risk management in the Prospectus.

6. Valuation currency of the sub-fund: EUR

7. Form of the shares: registered shares only.

8. Share classes

- **Classique** Class capitalisation shares, denominated in EUR [LU2098772366]
- **Classique** Class distribution shares, denominated in EUR [LU2098772440]
- **Classique-H** Class capitalisation shares, denominated in USD [LU3037721464]
- **Classique-H** Class capitalisation shares, denominated in CHF [LU3037721548]

- **I** Class capitalisation shares, denominated in EUR [LU2098772523]
- **I** Class distribution shares, denominated in EUR [LU2098772796]
- **I** Class capitalisation shares, denominated in GBP [LU2098772879]
- **I-H** Class capitalisation shares, denominated in GBP [LU2098772952]
- **I** Class capitalisation shares, denominated in USD [LU2098773091]
- **I-H** Class capitalisation shares, denominated in USD [LU3037721621]
- **I-H** Class capitalisation shares, denominated in CHF [LU3037721894]

- **N** Class capitalisation shares, denominated in EUR [LU2098773174]

- **PI** Class capitalisation shares, denominated in EUR [LU2098773257]
- **PI-H** Class capitalisation shares, denominated in USD [LU2837883938]

- **R** Class capitalisation shares, denominated in EUR [LU2098773331]
- **R** Class distribution shares, denominated in EUR [LU2098773414]
- **R** Class capitalisation shares, denominated in GBP [LU2098773505]
- **R-H** Class capitalisation shares, denominated in GBP [LU2098773760]
- **R-H** Class capitalisation shares, denominated in CHF [LU3037721977]
- **R-H** Class capitalisation shares, denominated in USD [LU3037722199]

- **R2** Class capitalisation shares, denominated in EUR [LU2098773844]
- **R2** Class distribution shares, denominated in EUR [LU2098773927]

- **S** Class capitalisation shares, denominated in EUR [LU2098774065]

- **V** Class capitalisation shares, denominated in EUR [LU2098774149]

- **VB** Class capitalisation shares, denominated in EUR [LU2878943252]
- **VB** Class distribution shares, denominated in EUR [LU2878945547]

- **Z** Class capitalisation shares, denominated in EUR [LU2098774222]
- **Z** Class distribution shares, denominated in EUR [LU2098774495]

- **ZB** Class capitalisation shares, denominated in EUR [LU3168154642]

9. Minimum subscription

No minimum subscription is required for the different share classes except for these classes:

- **PI**, for which the minimum initial subscription is EUR 1,000,000.
- **S**, for which the minimum initial subscription is EUR 25,000,000.
- **V**, for which the minimum initial subscription is EUR 20,000,000.

10. Fees and charges

Classes	**Fees and charges**				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max 2.5%	0%	Max 2.5%	Max 1.20%	Max 0.33%
I	0%	0%	0%	Max 0.70%	Max 0.25%
N	Max 2.5%	0%	0%	Max 1.60%	Max 0.33%
PI	0%	0%	0%	Max. 0.35%	Max 0.25%
R	Max 2.5%	0%	0%	Max 0.70%	Max 0.33%
R2	Max 2.5%	0%	Max 2.5%	Max 0.48%	Max 0.33%
S	0%	0%	0%	Max 1.00%	Max 0.25%
V	0%	0%	0%	Max 0.55%	Max 0.25%
VB	0%	0%	0%	Max 0.48%	Max 0.33%
Z	0%	0%	0%	0%	Max 0.25%
ZB	0%	0%	0%	0%	Max 0.25%

Outperformance fee

For each share class in the table below, the Management Company may be entitled to an outperformance fee calculated according to the "Permanent High Water Mark" methodology defined in the section entitled *Costs and charges, Outperformance fees* in the Prospectus and based on the outperformance of the NAV in relation to the reference indicator as defined in the table below.

Class	Currency	ISIN	Provisioning rate	Minimum return rate	Methodology
Classique	EUR	LU2098772366	20%	Capitalised €STR (floored at 0)	Permanent High Water Mark
Classique	EUR	LU2098772440			
I	EUR	LU2098772523			
I	EUR	LU2098772796			
N	EUR	LU2098773174			
PI	EUR	LU2098773257			
R	EUR	LU2098773331			
R	EUR	LU2098773414			
R2	EUR	LU2098773844			
R2	EUR	LU2098773927			
S	EUR	LU2098774065			
V	EUR	LU2098774149			
VB	EUR	LU2878943252			
VB	EUR	LU2878945547			
Z	EUR	LU2098774222			
Z	EUR	LU2098774495			
ZB	EUR	[LU3168154642]			
Classique-H	CHF	LU3037721548		Capitalised Saron (floored at 0)	
I-H	CHF	LU3037721894			
R-H	CHF	LU3037721977			
I-H	GBP	LU2098772952		Capitalised SONIA (floored at 0)	
R-H	GBP	LU2098773760			
I	GBP	LU2098772879		ICE BofA Euro Currency Overnight Deposit Offered Rate Index - GBP (floored at 0)	
R	GBP	LU2098773505			
Classique-H	USD	LU3037721464		ICE BofA €str Overnight Rate Index – USD Hedged (floored at 0)	
I	USD	LU2098773091		ICE BofA Euro Currency Overnight Deposit Offered Rate Index - USD (floored at 0)	
I-H	USD	LU3037721621		ICE BofA €str Overnight Rate Index – USD Hedged (floored at 0)	
PI-H	USD	LU2837883938		ICE BofA €str Overnight Rate Index – USD Hedged (floored at 0)	
R-H	USD	LU3037722199		ICE BofA €str Overnight Rate Index – USD Hedged (floored at 0)	

11. **Frequency of net asset value calculation:** Each Bank Business Day.

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

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time) for subscriptions D at midday (Luxembourg time) for redemptions
NAV date	D
Valuation date	D+1
Payment date	D+3 for subscriptions D+3 for redemptions

Candriam Bonds Credit Opportunities
Fact Sheet

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 objective of the sub-fund is to use discretionary management to benefit from the performance of the market in bonds issued by private sector issuers with a high credit risk, located primarily in European Union and/or North American countries, and to outperform the benchmark.

This sub-fund may be appropriate for investors of any type who wish to achieve this objective over a medium 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's objective is to offer shareholders the ability to participate in the yields of the bonds of high credit risk companies located principally in European Union and/or North American countries.

Accordingly, the assets of this sub-fund are principally invested in debt securities (bonds and other equivalent securities) of issuers with a rating exceeding CCC+/Caa1.

The sub-fund may also invest in derivative products (credit derivatives based on indices or on individual names) of issuers of the same quality.
The remainder of the assets may be invested in transferable securities (notably convertible bonds) or money-market instruments other than those described above, or in cash.

Exposures to currencies other than the euro will generally be hedged. Under no circumstances will the non-euro exposures exceed 10%.

The sub-fund may also make use of derivative financial instruments on the regulated and/or over-the-counter markets for the purpose of hedging, exposure and/or arbitrage.
The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility spreads such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps, total return swaps), forwards, options and futures. The underlyings of total return swaps may also either be bonds or equivalent securities, or financial indices (such as leveraged loan indices)

Total return swaps may relate to a maximum of 50% of the net assets of the sub-fund. The proportion is normally expected to vary between 0% and 25%.

For example the sub-fund may also make use of interest rate, credit or currency transactions for the purpose of hedging, exposure and/or arbitrage.

The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

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

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 75% of the sub-fund's investments, apart from deposits, cash and index derivatives.

The analysis of ESG criteria is also embedded in the financial management of the portfolio.

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

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

3. Efficient portfolio management techniques

The sub-fund does not use securities lending transactions.

The sub-fund will use reverse repurchase agreements in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may reach a maximum of 50% of the net assets of the portfolio, under certain market conditions.
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 will 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. 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, ▪ To calculate the outperformance fee for some share classes. For share classes in currencies other than the currency of the sub-fund, another corresponding index may be used in order to calculate performance fees as applicable (see "Outperformance fee" below)
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.

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Risk associated with derivative financial instruments
- Arbitrage risk
- Liquidity risk
- Counterparty risk
- Sustainability risk
- ESG investment risk
- Equity risk
- Foreign exchange risk
- Volatility risk
- Emerging countries risk
- Risk of changes to the benchmark index by the index provider
- Risk related to external factors
- Hedging risk of the share classes

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.

Investors' attention is drawn to the management style of this sub-fund which is partly invested in securities classified as speculative by the rating agencies and traded on markets whose operating conditions, in terms of transparency and liquidity, may differ considerably from the standards accepted on international stock markets or regulated markets. Consequently, the product is targeted at investors with sufficient experience to be able to assess the merits and risks.

5.2 Risk management

The total exposure will be calculated using the absolute VaR approach as described in the section entitled "Risk management".
The total risk may not exceed an absolute VaR of 20%. This VaR uses a confidence level of 99% and a timeframe of 20 days.
As an indication, the leverage of this sub-fund is a maximum of 350%.
This leverage will be calculated for each derivative instrument according to the notional value method and is added to the securities portfolio of the sub-fund. The sub-fund could, however, be exposed to a higher leverage.

5.3 Liquidity management tools

- Gates
- Redemptions in kind
- Swing pricing

The general explanation of the various liquidity management tools is given in the section entitled Risk management in the Prospectus.

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

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

8. Share classes

- **Classique** Class capitalisation shares, denominated in EUR [LU0151324422]
- **Classique** Class distribution shares, denominated in EUR [LU0151324851]
- **Classique (q)** Class distribution shares, denominated in EUR [LU1269889157]
- **Classique-H** Class capitalisation shares, denominated in USD [LU1375972251]
- **Classique-H** Class capitalisation shares, denominated in CHF [LU2069307564]

- **I** Class capitalisation shares, denominated in EUR [LU0151325312]
- **I** Class capitalisation shares, denominated in GBP [LU1184245816]
- **I (q)** Class distribution shares, denominated in EUR [LU1269889314]
- **I-H** Class capitalisation shares, denominated in USD [LU1375972335]
- **I-H** Class capitalisation shares, denominated in CHF [LU2069305949]

- **I2** Class capitalisation shares, denominated in EUR [LU2026165931]
- **I2(q)** Class distribution shares, denominated in EUR [LU2026166079]

- **N** Class capitalisation shares, denominated in EUR [LU0151324935]

- **R** Class capitalisation shares, denominated in EUR [LU1120697633]
- **R** Class capitalisation shares, denominated in GBP [LU1184245493];
- **R-H** Class capitalisation shares, denominated in CHF [LU1184245659]
- **R-H** Class capitalisation shares, denominated in USD [LU2069305865]

- **R2** Class capitalisation shares, denominated in EUR [LU1410484494]
- **R2** Class distribution shares, denominated in EUR [LU1410484577]

- **S** Class capitalisation shares, denominated in EUR [LU0151333506]

- **S3** Class capitalisation shares, denominated in EUR [LU2026166152]

- **SF** Class capitalisation shares, denominated in EUR [LU2026166236]

- **V** Class capitalisation shares, denominated in EUR [LU2470988283]

- **VB** Class capitalisation shares, denominated in EUR [LU2878943682]
- **VB** Class distribution shares, denominated in EUR [LU2878943765]

- **Z** Class capitalisation shares, denominated in EUR [LU0252969745]
- **Z** Class distribution shares, denominated in EUR [LU1410484148]

9. Minimum subscription

No minimum subscription is required for the different share classes except:

- The minimum initial subscription for the **S** Class is EUR 25,000,000.
- The minimum initial subscription for the **S3** Class is EUR 175,000,000.
- The minimum initial subscription for the **V** Class is EUR 20,000,000.

10. Fees and charges

Classes	Fees and charges				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max 2.5%	0%	Max 2.5%	Max 1%	Max 0.33%
I	0%	0%	0%	Max 0.50%	Max 0.25%
I2	0%	0%	0%	Max 1.50%	Max 0.25%
N	0%	0%	0%	Max 1.60%	Max 0.33%
R	Max 2.5%	0%	0%	Max 0.60%	Max 0.33%
R2	Max 2.5%	0%	Max 2.5%	Max 0.40%	Max 0.33%
S	0%	0%	0%	Max 0.25%	Max 0.25%
S3	0%	0%	0%	Max 0.50%	Max 0.25%
SF	0%	0%	0%	Max 0.25%	Max 0.25%
V	0%	0%	0%	Max 0.50%	Max 0.25%
VB	0%	0%	0%	Max 0.40%	Max 0.33%
Z	0%	0%	0%	0%	Max 0.25%

Performance fees

For each share class in the table below, the Management Company may be entitled to an outperformance fee calculated according to the "5Y High Water Mark" methodology defined in the section entitled *Costs and charges, Outperformance fees* in the Prospectus and based on the outperformance of the NAV in relation to the reference indicator as defined in the table below.

Class	Currency	ISIN	Provisioning rate	Minimum return rate	Methodology
Classique	EUR	LU0151324422	20%	Capitalised €STR (floored at 0)	5Y High Water Mark
Classique	EUR	LU0151324851			
Classique (q)	EUR	LU1269889157			
I	EUR	LU0151325312			
I(q)	EUR	LU1269889314			
N	EUR	LU0151324935			
R	EUR	LU1120697633			
R2	EUR	LU1410484494			
R2	EUR	LU1410484577			
S	EUR	LU0151333506			
SF	EUR	LU2026166236			
V	EUR	LU2470988283			
VB	EUR	LU2878943682			
VB	EUR	LU2878943765			
Z	EUR	LU0252969745			
Z	EUR	LU1410484148			
Classique-H	CHF	LU2069307564		Capitalised SARON (floored at 0)	
I-H	CHF	LU2069305949			
R-H	CHF	LU1184245659			
Classique-H	USD	LU1375972251		Capitalised FED FUNDS EFFECTIVE RATE US (floored at 0)	
I-H	USD	LU1375972335			
R-H	USD	LU2069305865			
I	GBP	LU1184245816		Capitalised ICE BofA Euro Currency Overnight Deposit Offered Rate - GBP (floored at 0)	
R	GBP	LU1184245493			

11. Frequency of net asset value calculation: Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

Candriam Bonds Emerging Debt Local Currencies
Fact Sheet

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 objective of the sub-fund is to use discretionary management to benefit from the performance of the market in bonds of emerging countries mainly denominated in the local currencies, and to outperform the benchmark.

This sub-fund may be appropriate for investors of any type who wish to achieve this objective over a medium 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 assets of this sub-fund are invested primarily in debt securities (bonds and other equivalent securities including high yield bonds) which may notably be at fixed or variable rates, indexed, subordinated or backed by assets.

These securities are issued by private sector issuers, issued or guaranteed by emerging countries, public entities and semi-public issuers active in emerging countries.

The remainder of the assets may be invested in:

- transferable securities or money market instruments other than those described above (in particular distressed debts (maximum 10% of net assets), in other words securities issued by issuers facing or imminently facing payment difficulties and considered as such by the Management Company on the basis of rating criteria and market criteria (specifically prices and spreads)).
- cash.

These assets are denominated primarily in the local currencies of the issuers (such as BRL, MXN, PLN...) and secondarily in the currencies of developed countries (such as USD, EUR, GBP, JPY...)

The sub-fund may also make use of derivative financial instruments on the regulated and/or over-the-counter markets for the purpose of hedging, exposure and/or arbitrage.

The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility spreads such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps), forwards, options and futures.
For example the sub-fund may also make use of currency and interest rate transactions in emerging countries for the purpose of hedging, exposure and/or arbitrage.

The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

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

The sub-fund aims to achieve a higher weighted average score than the benchmark, using the Freedom House index.

Freedom House works to defend human rights and promote democratic change, with a focus on political rights and civil liberties. Their analysis covers issues such as authoritarian reach, election integrity, media freedom and government accountability and transparency.

The analysis of countries' greenhouse gas emissions is taken into account, seeking a carbon intensity for the sub-fund which is below that of its benchmark. This analysis is applied to at least 75% of the sub-fund's investments, apart from deposits, cash and index derivatives.
The analysis of ESG criteria is also embedded in the financial management of the portfolio.

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

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

For more information about the ESG criteria, please see the transparency code which is available via the following link:

https://www.candriam.com/documents/candriam/article_205/en/document.pdf

3. Efficient portfolio management techniques

The sub-fund will use securities lending transactions in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may reach a maximum of 75% of the net assets of the portfolio, under certain market conditions.
In any case, these operations will only be carried out if market conditions allow income to be generated for the sub-fund.

The sub-fund will use reverse repurchase agreements in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may reach a maximum of 50% of the net assets of the portfolio, under certain market conditions.
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 will 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. 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	J.P. Morgan GBI-EM Global Diversified (Total Return)
Index definition	The benchmark measures the performance of sovereign bonds of emerging markets in local currency, using a diversification model allowing a more equal distribution of weightings among the countries in the benchmark.
Use of the index	▪ As an investment universe. In general, the issuers contained in the sub-fund portfolio are mostly contained in the index. However, investments outside the index are permitted, ▪ In determining risk levels / risk parameters, ▪ To compare performance, ▪ To calculate the outperformance fee for some share classes. For share classes in currencies other than the currency of the sub-fund, another corresponding index may be used in order to calculate performance fees as applicable (see "Outperformance fee" below)

Divergence of portfolio composition from the index	As the sub-fund is managed actively, it does not aim to invest in each component of the index nor to invest in the same proportions as the components of the index. In normal market conditions, the expected tracking error of the sub-fund will be large, namely above 2.5%. This measure is an estimation of the divergence of the sub-fund's performance compared to the performance of the benchmark. The greater the tracking error, the greater the deviations from the index. The actual tracking error depends in particular on market conditions (volatility and correlations between financial instruments) and may therefore differ from the expected tracking error.
Index provider	J.P. Morgan Securities PLC
	The benchmark is provided by J.P. Morgan Securities PLC which is, since Brexit, an entity which is covered by the transitional provision in Article 51(5) of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.
	The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark 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.

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Foreign exchange risk
- Risk associated with derivative financial instruments
- Counterparty risk
- Emerging countries risk
- Liquidity risk
- Risk associated with Chinese debt (via Bond Connect)
- Sustainability risk
- ESG investment risk
- Risk arising from distressed debts
- Risk of changes to the benchmark index by the index provider
- Risk related to external factors
- Hedging risk of the share classes

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.
Investors' attention is drawn to the fact that this sub-fund is particularly exposed to risks related to emerging countries, liquidity risks and foreign exchange risks (notably in the emerging currencies, which are even more volatile). There is therefore a higher risk for investors than the risk arising from investment in a bond sub-fund of a developed country. Furthermore, in view of its investments, this sub-fund could see the calculation of its net asset value **temporarily** suspended (as stated in the section entitled *Temporary suspension of the calculation of the net asset value and the issue, redemption and conversion of shares* in this Prospectus). If certain market prices (bonds, currencies etc.) are deemed to be unrepresentative, investors should be aware that the probable realisable value of these assets may be estimated prudently and in good faith by the Board of Directors (based for example on valuation models).

5.2 Risk management

The total exposure is calculated using the relative VaR approach as described in the section entitled "*Risk management*".
The J.P. Morgan GBI-EM Global Diversified (Total Return) in USD / EUR (depending on shares) index is used as the benchmark for the VaR.

As an indication, the leverage of this sub-fund should vary between 50% and 200% of net assets. The sub-fund could, however, be exposed temporarily to a higher leverage.
The leverage is calculated for each derivative instrument according to the notional value method and is added to the securities portfolio of the sub-fund.

5.3 Liquidity management tools

- Gates
- Redemptions in kind
- Swing pricing

The general explanation of the various liquidity management tools is given in the section entitled Risk management in the Prospectus.

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

7. Form of the shares: registered shares only.

8. Share classes

- **Classique** Class capitalisation shares, denominated in EUR [LU0616945282]
- **Classique** Class distribution shares, denominated in EUR [LU0616945449]
- **Classique (q)** Class distribution shares, denominated in USD [LU1269889405]
- **Classique** Class capitalisation shares, denominated in USD [LU0616945522]
- **Classique** Class distribution shares, denominated in USD [LU0616945795]

- **I** Class capitalisation shares, denominated in EUR [LU0616945878]
- **I-H** Class capitalisation shares, denominated in EUR [LU1258426821]
- **I** Class distribution shares, denominated in EUR [LU0616945951]
- **I** Class capitalisation shares, denominated in USD [LU0616946090]
- **I** Class distribution shares, denominated in USD [LU0616946173]
- **I** Class capitalisation shares, denominated in GBP [LU1184246467]

- **I2** Class capitalisation shares, denominated in USD [LU2739044845]

- **N** Class capitalisation shares, denominated in EUR [LU0616946256]

- **R** Class capitalisation shares, denominated in USD [LU0942152934]
- **R** Class capitalisation shares, denominated in EUR [LU1184246038]
- **R** Class capitalisation shares, denominated in GBP [LU1184246202]
- **R-H** Class capitalisation shares, denominated in CHF [LU1258426748]

- **R2** Class capitalisation shares, denominated in USD [LU1410484908]
- **R2** Class distribution shares, denominated in USD [LU1410485038]
- **R2** Class capitalisation shares, denominated in EUR [LU1410485111]
- **R2** Class distribution shares, denominated in EUR [LU1410485202]

- **V** Class capitalisation shares, denominated in EUR [LU0616946413]
  V Class capitalisation shares, denominated in USD [LU0616946504]

- **VB** Class capitalisation shares, denominated in USD [LU2878943849]
- **VB** Class distribution shares, denominated in USD [LU2878943922]
- **VB** Class capitalisation shares, denominated in EUR [LU2878944060]
- **VB** Class distribution shares, denominated in EUR [LU2878944144]

- **V2** Class capitalisation shares, denominated in USD [LU1410484650]

- **Z** Class capitalisation shares, denominated in EUR [LU0616946686]
- **Z** Class capitalisation shares, denominated in USD [LU0616946769]
- **Z** Class distribution shares, denominated in USD [LU1410484734]
- **Z** Class distribution shares, denominated in EUR [LU1410484817]

- **ZB** Class capitalisation shares, denominated in USD [LU3168152869]

9. Minimum subscription

No minimum subscription is required for the different share classes except for the **V and V2** classes, for which the minimum initial subscription is the USD equivalent of EUR 20,000,000 or the equivalent of EUR 20,000,000 in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

10. Fees and charges

Classes	**Fees and charges**				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max 2.5%	0%	Max 2.5%	Max 1.20%	Max. 0.35%
I	0%	0%	0%	Max 0.60%	Max 0.28%
I2	0%	0%	0%	Max 0.80%	Max 0.28%
N	0%	0%	0%	Max 1.60%	Max. 0.35%
R	Max 2.5%	0%	0%	Max 0.70%	Max. 0.35%
R2	Max 2.5%	0%	Max 2.5%	Max. 0.30%	Max. 0.35%
V	0%	0%	0%	Max. 0.30%	Max 0.28%
V2	0%	0%	0%	Max 0.60%	Max 0.28%
VB	0%	0%	0%	Max. 0.30%	Max. 0.35%
Z	0%	0%	0%	0%	Max 0.28%
ZB	0%	0%	0%	0%	Max 0.28%

Outperformance fee

For each share class in the table below, the Management Company may be entitled to an outperformance fee calculated according to the "5Y Clawback" methodology defined in the section entitled *Costs and charges, Outperformance fees* in the Prospectus and based on the outperformance of the NAV in relation to the reference indicator ("benchmark") as defined in the table below.

Class	Currency	ISIN	Provisioning rate	Benchmark	Methodology
I	USD	LU0616946090	20%	J.P. Morgan GBI-EM Global Diversified (Total Return)	5Y Clawback
I	USD	LU0616946173			
V	USD	LU0616946504			
I-H	EUR	LU1258426821		J.P. Morgan GBI-EM Global Diversified (Total Return) EUR Hedged	
I	EUR	LU0616945878		J.P. Morgan GBI-EM Global Diversified (Total Return) EUR	
I	EUR	LU0616945951			
V	EUR	LU0616946413			
I	GBP	LU1184246467		J.P. Morgan GBI-EM Global Diversified (Total Return) GBP	

11. Frequency of net asset value calculation: Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

This Fact Sheet forms an integral part of the Prospectus dated 14 September 2026.

Candriam Bonds Emerging Markets
Fact Sheet

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 objective of the sub-fund is to use discretionary management to benefit from the performance of the market in bonds of emerging countries mainly denominated in the currencies of developed countries, and to outperform the benchmark.

This sub-fund may be appropriate for investors of any type who wish to achieve this objective over a medium 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 assets of this sub-fund are invested primarily in debt securities (bonds and other equivalent securities including high yield bonds) which may notably be at fixed or variable rates, indexed, subordinated or backed by assets.

These securities are issued by private sector issuers in emerging countries, issued or guaranteed by emerging countries, public entities and semi-public issuers active in such countries.

The remainder of the assets may be invested in:

- Transferable securities or money market instruments other than those described above (in particular distressed debts (maximum 10% of net assets), in other words securities issued by issuers facing or imminently facing payment difficulties and considered as such by the Management Company on the basis of rating criteria and market criteria (specifically prices and spreads)).
- Cash.

These assets will denominated primarily in the currencies of developed countries such as USD, EUR, GBP, JPY and secondarily in the local currencies of the issuers such as BRL, MXN, PLN.

Exposures to the currencies of developed countries such as EUR, GBP, JPY and emerging currencies such as BRL, MXN, PLN will be hedged against foreign exchange risk. As the risks cannot be fully hedged at all times, a marginal residual foreign exchange risk on these currencies may remain.

The sub-fund may also make use of derivative financial instruments on the regulated or over-the-counter markets for the purpose of hedging, exposure and/or arbitrage.

The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility spreads such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps), forwards, options and futures.

For example the sub-fund may also make use of interest rate transactions for the purpose of hedging, exposure and/or arbitrage.
The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

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

The sub-fund aims to achieve a higher weighted average score than the benchmark, using the Freedom House index.

Freedom House works to defend human rights and promote democratic change, with a focus on political rights and civil liberties. Their analysis covers issues such as authoritarian reach, election integrity, media freedom and government accountability and transparency.

The analysis of countries' greenhouse gas emissions is taken into account, seeking a carbon intensity for the sub-fund which is below that of its benchmark. This analysis is applied to at least 75% of the sub-fund's investments, apart from deposits, cash and index derivatives.

The analysis of ESG criteria is also embedded in the financial management of the portfolio.
The sub-fund also seeks to exclude certain companies as described in the SFDR Annex.

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

For more information about the ESG criteria, please see the transparency code which is available via the following link:

https://www.candriam.com/documents/candriam/article_205/en/document.pdf

3. Efficient portfolio management techniques

The sub-fund will use securities lending transactions in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may reach a maximum of 75% of the net assets of the portfolio, under certain market conditions.
In any case, these operations will only be carried out if market conditions allow income to be generated for the sub-fund.

The sub-fund will use reverse repurchase agreements in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may reach a maximum of 50% of the net assets of the portfolio, under certain market conditions.
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 will 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. 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	J.P. Morgan EMBI Global Diversified (Total Return)
Index definition	The benchmark measures the performance of sovereign and quasi-sovereign bonds of emerging markets denominated in USD, using a diversification model allowing a more equal distribution of weightings among the countries in the benchmark.
Use of the index	▪ As an investment universe. In general, the issuers contained in the sub-fund portfolio are mostly contained in the index. However, investments outside the index are permitted, ▪ In determining risk levels / risk parameters, ▪ To compare performance, ▪ To calculate the outperformance fee for some share classes. For share classes in currencies other than the currency of the sub-fund, another corresponding index may be used in order to calculate performance fees as applicable (see "Outperformance fee" below)

Divergence of portfolio composition from the index	As the sub-fund is managed actively, it does not aim to invest in each component of the index nor to invest in the same proportions as the components of the index. In normal market conditions, the expected tracking error of the sub-fund will be large, namely above 2.50%. This measure is an estimation of the divergence of the sub-fund's performance compared to the performance of the benchmark. The greater the tracking error, the greater the deviations from the index. The actual tracking error depends in particular on market conditions (volatility and correlations between financial instruments) and may therefore differ from the expected tracking error.
Index provider	J.P. Morgan Securities PLC
	The benchmark is provided by J.P. Morgan Securities PLC which is, since Brexit, an entity which is covered by the transitional provision in Article 51(5) of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.
	The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark 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.

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Emerging countries risk
- Liquidity risk
- Risk associated with derivative financial instruments
- Counterparty risk
- Risk arising from distressed debts
- Sustainability risk
- ESG investment risk
- Risk of changes to the benchmark index by the index provider
- Risk related to external factors
- Hedging risk of the share classes

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.

Investors' attention is drawn to the fact that this sub-fund is particularly exposed to emerging countries risk. There is therefore a higher risk for investors than the risk arising from investment in a bond sub-fund of a developed country. Furthermore, in view of its investments, this sub-fund could see the calculation of its net asset value temporarily suspended (as stated in the section entitled *Temporary suspension of the calculation of the net asset value and the issue, redemption and conversion of shares* in this Prospectus). If certain market prices (bonds, currencies etc.) are deemed to be unrepresentative, investors should be aware that the probable realisable value of these assets may be estimated prudently and in good faith by the Board of Directors (based for example on valuation models).

5.2 Risk management

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

5.3 Liquidity management tools

- Gates
- Redemptions in kind
- Swing pricing

The general explanation of the various liquidity management tools is given in the section entitled Risk management in the Prospectus.

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

7. Form of the shares: registered shares only.

8. Share classes

- **Classique** Class capitalisation shares, denominated in USD [LU0083568666]
- **Classique-H** Class capitalisation shares, denominated in EUR [LU0594539719]
- **Classique** Class distribution shares, denominated in USD [LU0083569045]
- **Classique (q)** Class distribution shares, denominated in USD [LU1269889587]

- **CS** Class capitalisation shares, denominated in USD [LU2026166319]

- **I** Class capitalisation shares, denominated in USD [LU0144746764]
- **I** Class distribution shares, denominated in USD [LU1184247275]
- **I-H** Class capitalisation shares, denominated in EUR [LU0594539982]
- **I** Class capitalisation shares, denominated in EUR [LU1184247432]
- **I** Class capitalisation shares, denominated in GBP [LU1120698953]
- **I(q)-H** Class distribution shares, denominated in GBP [LU1410492919]
- **I(q)-H** Class distribution shares, denominated in EUR [LU1490969497]

- **I2** Class distribution shares, denominated in USD [LU2026166400]
- **I2-H** Class capitalisation shares, denominated in EUR [LU2739044928]

- **N** Class capitalisation shares, denominated in USD [LU0144751251]

- **R** Class capitalisation shares, denominated in USD [LU0942153155]
- **R** Class capitalisation shares, denominated in EUR [LU1184246624]
- **R-H** Class capitalisation shares, denominated in EUR [LU1764521966]
- **R-H** Class capitalisation shares, denominated in GBP [LU1184246970]
- **R-H** Class capitalisation shares, denominated in CHF [LU1258427126]
- **R(q)** Class distribution shares, denominated in USD [LU2178471681]

- **R2** Class capitalisation shares, denominated in USD [LU1410485897]
- **R2** Class distribution shares, denominated in USD [LU1410485970]
- **R2-H** Class capitalisation shares, denominated in EUR [LU1410486192]

- **S** Class capitalisation shares, denominated in USD [LU1797525570]
- **S2** Class capitalisation shares, denominated in USD [LU1920010995]

- **V-H** Class capitalisation shares, denominated in EUR [LU0616945100]
- **V-H** Class capitalisation shares, denominated in CHF [LU2015352391]
- **V** Class capitalisation shares, denominated in EUR [LU0891848607]
- **V(q)-H** Class distribution shares, denominated in EUR [LU1490969570]

- **VB** Class capitalisation shares, denominated in USD [LU2878944573]
- **VB** Class distribution shares, denominated in USD [LU2878944656]
- **VB-H** Class capitalisation shares, denominated in EUR [LU2878944730]

- **V2** Class capitalisation shares, denominated in USD [LU1410485624]
- **V2** Class distribution shares, denominated in USD [LU2178471764]
- **V2-H** Class capitalisation shares, denominated in GBP [LU1708110033]
- **V2-H** Class capitalisation shares, denominated in CHF [LU2015352128]
- **V2** Class capitalisation shares, denominated in GBP [LU1708110207]
- **V2(q)-H** Class distribution shares, denominated in GBP [LU1708110462]
- **V2-H** Class capitalisation shares, denominated in EUR [LU2026166582]
- **V2** Class capitalisation shares, denominated in EUR [LU2026166665]

- **Z** Class capitalisation shares, denominated in USD [LU0252942387]
- **Z** Class distribution shares, denominated in USD [LU1410485467]
- **Z-H** Class capitalisation shares, denominated in EUR [LU1582239619]

9. Minimum subscription

No minimum subscription is required for the different share classes except for the following classes:

- The minimum initial subscription for the **V and V2** Classes is the USD equivalent of EUR 20,000,000 or the equivalent of EUR 20,000,000 in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date,

- The minimum initial subscription for the **S** Class is the USD equivalent of EUR 25,000,000 or the equivalent of EUR 25,000,000 in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

- The minimum initial subscription for the **S2** Class is USD 100,000,000 or the equivalent of USD 100,000,000 in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

10. Fees and charges

Classes	**Fees and charges**				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max 2.5%	0%	Max 2.5%	Max 1.20%	Max. 0.35%
CS	0%	0%	0%	Max 1.20%	Max. 0.35%
I denominated in EUR or USD	0%	0%	0%	Max 0.60%	Max 0.28%
I denominated in GBP	0%	0%	0%	Max 0.70%	Max 0.28%
I2	0%	0%	0%	Max 0.80%	Max 0.28%
N	0%	0%	0%	Max 1.60%	Max. 0.35%
R	Max 2.5%	0%	0%	Max 0.70%	Max. 0.35%
R2	Max 2.5%	0%	Max 2.5%	Max. 0.30%	Max. 0.35%
S/S2	0%	0%	0%	Max 0.44%	Max 0.28%
V	0%	0%	0%	Max. 0.30%	Max 0.28%
V2	0%	0%	0%	Max 0.60%	Max 0.28%
VB	0%	0%	0%	Max. 0.30%	Max. 0.35%
Z	0%	0%	0%	0%	Max 0.28%

Outperformance fee

For each share class in the table below, the Management Company may be entitled to an outperformance fee calculated according to the "5Y Clawback" methodology defined in the section entitled *Costs and charges, Outperformance fees* in the Prospectus and based on the outperformance of the NAV in relation to the reference indicator ("benchmark") as defined in the table below.

Class	Currency	ISIN	Provisioning rate	Benchmark	Methodology
I	USD	LU0144746764	20%	J.P. Morgan EMBI Global Diversified (Total Return)	5Y Clawback
I	USD	LU1184247275			
I-H	EUR	LU0594539982		J.P. Morgan EMBI Global Diversified (Total Return) hedged in EUR	
I(q)-H	EUR	LU1490969497			
V(q)-H	EUR	LU1490969570			
V-H	EUR	LU0616945100			
I	EUR	LU1184247432		J.P. Morgan EMBI Global Diversified (Total Return) EUR	
V	EUR	LU0891848607			
V-H	CHF	LU2015352391		J.P. Morgan EMBI Global Diversified (Total Return) hedged in CHF	

11. Frequency of net asset value calculation: Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

This Fact Sheet forms an integral part of the Prospectus dated 14 September 2026.

Candriam Bonds Emerging Markets Corporate
Fact Sheet

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 objective of the sub-fund is to use discretionary management to benefit from the performance of the market in bonds issued primarily by private-sector issuers in emerging countries and denominated mainly in the currencies of developed countries, and to maximise the risk/return ratio of this asset class, and to outperform the benchmark.

This sub-fund may be appropriate for investors of any type who wish to achieve this objective over a medium 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 assets of the sub-fund are invested primarily in debt securities (bonds and other equivalent securities including high yield bonds) which may notably be at fixed or variable rates, indexed, subordinated or backed by assets.

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

These securities are primarily issued by private sector issuers (rated at least B-/B3 by a recognised rating agency at the time of purchase or considered to be of equivalent quality by the Management Company) operating in emerging countries. The analysis of ESG criteria is also embedded in the financial management of the portfolio.

The remainder of the assets may be invested in transferable securities other than those described above, in particular:

- Issued by public sector entities and semi-public issuers active in emerging countries,
- Contingent convertible bonds (CoCos) (maximum 10% of net assets),
- Subordinated bonds (maximum 20% of net assets),
- UCITS and UCIs (maximum 10%)
- Money market instruments,
- Deposits and/or cash.

These assets will mainly be denominated in the currencies of developed countries (USD, EUR, GBP, JPY, etc.)

Exposures to the currencies of developed countries (such as EUR, GBP, JPY) will be hedged against foreign exchange risk. As the risks cannot be fully hedged at all times, a marginal residual foreign exchange risk on these currencies may remain.

The sub-fund may make use of derivative financial instruments on the regulated and/or over-the-counter markets (notably swaps, forwards, options or futures) for the purpose of exposure, hedging and/or arbitrage.
The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility.
Total return swaps may relate to a maximum of 25% of the net assets of the sub-fund. The proportion is normally expected to vary between 0% and 20%.

For consideration of ESG aspects, the analysis of private sector issuers' greenhouse gas emissions is taken into account, seeking a carbon footprint for the sub-fund which is below that of its benchmark. This analysis of private sector issuers is applied to at least 75% of the sub-fund's investments, apart from deposits, cash and index derivatives.

The sub-fund also seeks to exclude certain companies as described in the SFDR Annex. Under certain conditions, the analysis and selection process may also be accompanied by active involvement based on dialogue with the companies.

For more information about the ESG criteria, please see the transparency code which is available via the following link:

https://www.candriam.com/documents/candriam/article_205/en/document.pdf

3. Efficient portfolio management techniques

The sub-fund will use securities lending transactions in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may reach a maximum of 75% of the net assets of the portfolio, under certain market conditions.
In any case, these operations will only be carried out if market conditions allow income to be generated for the sub-fund.

The sub-fund will use reverse repurchase agreements in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may reach a maximum of 50% of the net assets of the portfolio, under certain market conditions.
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 will 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. 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	J.P. Morgan CEMBI Broad Diversified (Total Return)
Index definition	The benchmark measures the performance of corporate bonds of emerging markets denominated in USD, using a diversification model allowing a more equal distribution of weightings among the countries in the benchmark.
Use of the index	▪ As an investment universe. In general, the issuers contained in the sub-fund portfolio are mostly contained in the index. However, investments outside the index are permitted, ▪ In determining risk levels / risk parameters, ▪ To compare performance, ▪ To calculate the outperformance fee for some share classes. For share classes in currencies other than the currency of the sub-fund, another corresponding index may be used in order to calculate performance fees as applicable (see "Outperformance fee" below)

Divergence of portfolio composition from the index	As the sub-fund is managed actively, it does not aim to invest in each component of the index nor to invest in the same proportions as the components of the index. In normal market conditions, the expected tracking error of the sub-fund will be moderate to large, namely between 0.75% and 3%. This measure is an estimation of the divergence of the sub-fund's performance compared to the performance of the benchmark. The greater the tracking error, the greater the deviations from the index. The actual tracking error depends in particular on market conditions (volatility and correlations between financial instruments) and may therefore differ from the expected tracking error.
Index provider	J.P. Morgan Securities PLC
	The benchmark is provided by J.P. Morgan Securities PLC which is, since Brexit, an entity which is covered by the transitional provision in Article 51(5) of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.
	The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark 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.

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Emerging countries risk
- Liquidity risk
- Risk associated with derivative financial instruments
- Counterparty risk
- Sustainability risk
- ESG investment risk
- Risk of changes to the benchmark index by the index provider
- Risk related to external factors
- Hedging risk of the share classes

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.
Investors' attention is drawn to the fact that this sub-fund is particularly exposed to emerging countries risk. There is therefore a higher risk for investors than the risk arising from investment in a bond sub-fund of a developed country. Furthermore, in view of its investments, this sub-fund could see the calculation of its net asset value temporarily suspended (as stated in the section entitled *Temporary suspension of the calculation of the net asset value and the issue, redemption and conversion of shares* in this Prospectus). If certain market prices (bonds, currencies etc.) are deemed to be unrepresentative, investors should be aware that the probable realisable value of these assets may be estimated prudently and in good faith by the Board of Directors (based for example on valuation models).

5.2 Risk management

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

5.3 Liquidity management tools

- Gates
- Redemptions in kind
- Swing pricing

The general explanation of the various liquidity management tools is given in the section entitled Risk management in the Prospectus.

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

7. Form of the shares: registered shares only.

8. Share classes

- **Classique** Class capitalisation shares, denominated in USD [LU2026166749]
- **Classique** Class distribution shares, denominated in USD [LU2026166822]
- **Classique-H** Class capitalisation shares, denominated in EUR [LU2026167044]

- **I** Class capitalisation shares, denominated in USD [LU2026167127]
- **I** Class distribution shares, denominated in USD [LU2026167390]
- **I-H** Class capitalisation shares, denominated in EUR [LU2026167473]

- **I2** Class capitalisation shares, denominated in USD [LU2026167556]

- **N-H** Class capitalisation shares, denominated in EUR [LU2026167630]

- **R** Class capitalisation shares, denominated in USD [LU2026167804]
- **R** Class distribution shares, denominated in USD [LU2026167986]
- **R-H** Class capitalisation shares, denominated in EUR [LU2026168018]
- **R-H** Class capitalisation shares, denominated in GBP [LU2026168109]

- **R2** Class capitalisation shares, denominated in USD [LU2026169503]
- **R2** Class distribution shares, denominated in USD [LU2092203855]

- **PI** Class capitalisation shares, denominated in USD [LU2026169842]

- **V** Class capitalisation shares, denominated in USD [LU2026169925]

- **VB** Class capitalisation shares, denominated in USD [LU2878942957]
- **VB** Class distribution shares, denominated in USD [LU2878943096]

- **Z** Class capitalisation shares, denominated in USD [LU2026170006]
- **Z-H** Class capitalisation shares, denominated in EUR [LU2178471848]
- **Z** Class distribution shares, denominated in USD [LU2026170188]

- **ZB** Class capitalisation shares, denominated in USD [LU3168154303]

9. Minimum subscription

No minimum subscription is required for the different share classes except for the following classes:

- The minimum initial subscription for the **PI** Class is the USD equivalent of EUR 1,000,000 or the equivalent of EUR 1,000,000 in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

- The minimum initial subscription for the **V** Class is the USD equivalent of EUR 20,000,000 or the equivalent of EUR 20,000,000 in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date,

10. Fees and charges

Classes	Fees and charges				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max 2.5%	0%	Max 2.5%	Max 1.40%	Max. 0.35%
I	0%	0%	0%	Max 0.65%	Max 0.28%
I2	0%	0%	0%	Max 0.65%	Max 0.28%
N	0%	0%	0%	Max 1.80%	Max. 0.35%
PI	0%	0%	0%	Max. 0.30%	Max 0.28%
R	Max 2.5%	0%	0%	Max 0.75%	Max. 0.35%
R2	Max 2.5%	0%	Max 2.5%	Max. 0.30%	Max. 0.35%
V	0%	0%	0%	Max. 0.35%	Max 0.28%
VB	0%	0%	0%	Max. 0.30%	Max. 0.35%
Z	0%	0%	0%	0%	Max 0.28%
ZB	0%	0%	0%	0%	Max 0.28%

Outperformance fee

For each share class in the table below, the Management Company may be entitled to an outperformance fee calculated according to the "5Y Clawback" methodology defined in the section entitled *Costs and charges, Outperformance fees* in the Prospectus and based on the outperformance of the NAV in relation to the reference indicator ("benchmark") as defined in the table below.

Class	Currency	ISIN	Provisioning rate	Benchmark	Methodology
I	USD	LU2026167127	20%	J.P. Morgan CEMBI Broad Diversified (Total Return)	5Y Clawback
I	USD	LU2026167390			
V	USD	LU2026169925			
I-H	EUR	LU2026167473		J.P. Morgan CEMBI Broad Diversified (Total Return) EUR Hedged	

11. Frequency of net asset value calculation: Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

This Fact Sheet forms an integral part of the Prospectus dated 14 September 2026.

Candriam Bonds Euro
Fact Sheet

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 objective of the sub-fund is to use discretionary management to benefit from the performance of the market in bonds denominated in EUR, issued by highly rated issuers of all types, and to outperform the benchmark.

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 assets of this sub-fund will be invested principally in debt securities (bonds and other equivalent securities) denominated in EUR which may notably be at fixed or variable rates, indexed, subordinated or backed by assets.

These securities are issued by private sector issuers, issued or guaranteed by governments, international and supranational organisations, public entities and semi-public issuers. These issuers will be highly rated (rated at least **BBB-/ Baa3** by one of the rating agencies or considered to be of equivalent quality by the Management Company).

The remainder of the assets may be invested in marketable securities (notably high yield bonds (up to 20% of net assets), convertible bonds, contingent convertible bonds (CoCos) (up to 5% of net assets), asset-backed securities (up to 5% of net assets), mortgage-backed securities (up to 5% of net assets)) or money market instruments other than those described above, or in cash.

Exposures to currencies other than the euro may be hedged against the foreign exchange risk, but this will not be done systematically.

The sub-fund may also make use of derivative financial instruments on the regulated or over-the-counter markets for the purpose of hedging, exposure and/or arbitrage.

The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility spreads such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps), forwards, options and futures.
Total return swaps may relate to a maximum of 25% of the net assets of the sub-fund. The proportion is normally expected to vary between 0% and 20%.

For example the sub-fund may also make use of interest rate and credit transactions for the purpose of hedging, exposure and/or arbitrage.

The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

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

The analysis of private sector issuers' greenhouse gas emissions is taken into account, seeking a carbon footprint for the sub-fund which is below that of its benchmark. This analysis of private sector issuers is applied to at least 90% of the sub-fund's investments, apart from deposits, cash and index derivatives.

The analysis of ESG criteria is also embedded in the financial management of the portfolio.

The sub-fund also seeks to exclude certain companies as described in the SFDR Annex.
Under certain conditions, the analysis and selection process may also be accompanied by active involvement based on dialogue with the companies.

For more information about the ESG criteria, please see the transparency code which is available via the following link:
https://www.candriam.com/documents/candriam/article_205/en/document.pdf

3. Efficient portfolio management techniques

The sub-fund will use securities lending transactions in a proportion which may vary between 25% and 50% of the net assets of the portfolio, and which may reach a maximum of 75% of the net assets of the portfolio, under certain market conditions.
In any case, these operations will only be carried out if market conditions allow income to be generated for the sub-fund.

The sub-fund will use reverse repurchase agreements in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may reach a maximum of 50% of the net assets of the portfolio, under certain market conditions.
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 will 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. 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	iBoxx € Overall (Total Return)
Index definition	The index measures the performance of investment grade bonds denominated in EUR.
Use of the index	▪ As an investment universe. In general, the issuers contained in the sub-fund portfolio are mostly contained in the index. However, investments outside the index are permitted, ▪ In determining risk levels / risk parameters, ▪ To compare performance, ▪ To calculate the outperformance fee for some share classes.
Divergence of portfolio composition from the index	As the sub-fund is managed actively, it does not aim to invest in each component of the index nor to invest in the same proportions as the components of the index. In normal market conditions, the expected tracking error of the sub-fund will be limited to moderate, namely between 0.4% and 1.5%. This measure is an estimation of the divergence of the sub-fund's performance compared to the performance of the benchmark. The greater the tracking error, the greater the deviations from the index. The actual tracking error depends in particular on market conditions (volatility and correlations between financial instruments) and may therefore differ from the expected tracking error.

Index provider	IHS Markit Benchmark Administration Limited
	The benchmark index is provided by IHS Markit Benchmark Administration Limited which, since Brexit, is an entity which is covered by the transitional provision in Article 51(5) of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.
	The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark 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.

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Liquidity risk
- Risk associated with derivative financial instruments
- Counterparty risk
- Sustainability risk
- ESG investment risk
- Equity risk
- Risk associated with investing in CoCos
- Foreign exchange risk
- Emerging countries risk
- Risk of changes to the benchmark index by the index provider
- Risk related to external factors

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.

5.2 Risk management

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

5.3 Liquidity management tools

- Gates
- Redemptions in kind
- Swing pricing

The general explanation of the various liquidity management tools is given in the section entitled Risk management in the Prospectus.

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

7. Form of the shares: registered shares only.

8. Share classes

- **Classique** Class capitalisation shares [LU0011975413]
- **Classique** Class distribution shares [LU0011975330]

- **I** Class capitalisation shares [LU0144743829]
- **I** Class distribution shares [LU1258427399]

- **I2** Class capitalisation shares [LU2739045065]

- **R** Class capitalisation shares [LU0942153239]

- **R2** Class capitalisation shares [LU1410486432]
- **R2** Class distribution shares [LU1410486515]

- **V** Class capitalisation shares [LU0391256418]

- **VB** Class capitalisation shares [LU2878945117]
- **VB** Class distribution shares [LU2878945208]

- **Z** Class capitalisation shares [LU0252943781]
- **Z** Class distribution shares [LU1410486275]

- **ZB** Class capitalisation shares [LU3168153164]
- **ZB** Class distribution shares [LU3168153248]

9. Minimum subscription

No minimum subscription is required for the different classes except for the **V** Class, for which the minimum initial subscription is EUR 20,000,000 (this minimum may be changed at the discretion of the Board of Directors provided that equal treatment of shareholders is ensured on the same Valuation Date).

10. Fees and charges

Classes	**Fees and charges**				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max 2.5%	0%	Max 2.5%	Max 0.6%	Max 0.29%
I	0%	0%	0%	Max 0.2%	Max 0.23%
I2	0%	0%	0%	Max 0.45%	Max 0.23%
R	Max 2.5%	0%	0%	Max 0.40%	Max 0.29%
R2	Max 2.5%	0%	Max 2.5%	Max 0.15%	Max 0.29%
V	0%	0%	0%	Max 0.15%	Max 0.23%
VB	0%	0%	0%	Max 0.15%	Max 0.29%
Z	0%	0%	0%	0%	Max 0.23%
ZB	0%	0%	0%	0%	Max 0.23%

Outperformance fee

For each share class in the table below, the Management Company may be entitled to an outperformance fee calculated according to the "5Y Clawback" methodology defined in the section entitled *Costs and charges, Outperformance fees* in the Prospectus and based on the outperformance of the NAV in relation to the reference indicator ("benchmark") as defined in the table below.

Class	Currency	ISIN	Provisioning rate	Benchmark	Methodology
I	EUR	LU0144743829	20%	iBoxx € Overall (Total Return)	5Y Clawback
I	EUR	LU1258427399			
V	EUR	LU0391256418			

11. Frequency of net asset value calculation: Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

This Fact Sheet forms an integral part of the Prospectus dated 14 September 2026.

Candriam Bonds Euro Corporate
Fact Sheet

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 objective of the sub-fund is to use discretionary management to benefit from the performance of the market in bonds denominated in EUR and issued by highly rated private sector issuers, and to outperform the benchmark.

This sub-fund may be appropriate for investors of any type who wish to achieve this objective over a medium 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 assets of this sub-fund will be invested principally in debt securities (bonds and other equivalent securities) denominated in EUR which may notably be at fixed or variable rates, indexed, subordinated or backed by assets.

These securities are issued by highly rated private sector issuers (rated at least BBB-/Baa3 by one of the rating agencies or considered to be of equivalent quality by the Management Company).

The remainder of the assets may be invested in transferable securities or money-market instruments other than those described above (including high yield bonds up to 15% of net assets, contingent convertible bonds (CoCos) up to 5% of net assets), or in cash.

Exposures to currencies other than the euro will be hedged against foreign exchange risk. As the risks cannot be fully hedged at all times, a marginal residual foreign exchange risk may remain.

The sub-fund may also make use of derivative financial instruments on the regulated or over-the-counter markets for the purpose of hedging, exposure and/or arbitrage.
The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility spreads such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps), forwards, options and futures.
For example, the sub-fund may also make use of interest rate and credit transactions for the purpose of hedging, exposure and/or arbitrage.
Total return swaps may relate to a maximum of 25% of the net assets of the sub-fund. The proportion is normally expected to vary between 0% and 20%.

The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

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

The analysis of private sector issuers' greenhouse gas emissions is taken into account, seeking a carbon footprint for the sub-fund which is below that of its benchmark. This analysis of private sector issuers is applied to at least 90% of the sub-fund's investments, apart from deposits, cash and index derivatives.

The analysis of ESG criteria is also embedded in the financial management of the portfolio.

The sub-fund also seeks to exclude certain companies as described in the SFDR Annex.
Under certain conditions, the analysis and selection process may also be accompanied by active involvement based on dialogue with the companies.

For more information about the ESG criteria, please see the transparency code which is available via the following link:

https://www.candriam.com/documents/candriam/article_205/en/document.pdf

3. Efficient portfolio management techniques

The sub-fund will use securities lending transactions in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may reach a maximum of 50% of the net assets of the portfolio, under certain market conditions.
In any case, these operations will only be carried out if market conditions allow income to be generated for the sub-fund.

The sub-fund will use reverse repurchase agreements in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may reach a maximum of 50% of the net assets of the portfolio, under certain market conditions.
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 will 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. 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	iBoxx € Corporates (Total Return)
Index definition	The index measures the performance of investment grade corporate bonds denominated in EUR.
Use of the index	▪ As an investment universe. In general, the issuers contained in the sub-fund portfolio are mostly contained in the index. However, investments outside the index are permitted, ▪ In determining risk levels / risk parameters, ▪ To compare performance, ▪ To calculate the outperformance fee for some share classes.
Divergence of portfolio composition from the index	As the sub-fund is managed actively, it does not aim to invest in each component of the index nor to invest in the same proportions as the components of the index. In normal market conditions, the expected tracking error of the sub-fund will be limited to moderate, namely between 0.4% and 1.5%. This measure is an estimation of the divergence of the sub-fund's performance compared to the performance of the benchmark. The greater the tracking error, the greater the deviations from the index. The actual tracking error depends in particular on market conditions (volatility and correlations between financial instruments) and may therefore differ from the expected tracking error.

Index provider	IHS Markit Benchmark Administration Limited
	The benchmark index is provided by IHS Markit Benchmark Administration Limited which, since Brexit, is an entity which is covered by the transitional provision in Article 51(5) of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.
	The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark 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.

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Liquidity risk
- Risk associated with derivative financial instruments
- Counterparty risk
- Sustainability risk
- ESG investment risk
- Risk associated with investing in CoCos
- Concentration risk
- Emerging countries risk
- Risk of changes to the benchmark index by the index provider
- Risk related to external factors

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.

5.2 Risk management

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

5.3 Liquidity management tools

- Gates
- Redemptions in kind
- Swing pricing

The general explanation of the various liquidity management tools is given in the section entitled Risk management in the Prospectus.

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

7. Form of the shares: registered shares only.

8. Share classes

- **Classique** Class capitalisation shares [LU0237839757]
- **Classique** Class distribution shares [LU0237840094]

- **I** Class capitalisation shares [LU0237841142]
- **I** Class distribution shares [LU1258427472]

- **I2** Class capitalisation shares [LU2739045578]

- **N** Class capitalisation shares [LU0237840680]

- **R** Class capitalisation shares [LU0942153403]

- **R2** Class capitalisation shares [LU1410487166]
- **R2** Class distribution shares [LU1410487240]

- **V2** Class capitalisation shares [LU3168153677]

- **VB** Class capitalisation shares [LU2878942288]
- **VB** Class distribution shares [LU2878942361]

- **Z** Class capitalisation shares [LU0252947006]
- **Z** Class distribution shares [LU1410487083]

- **ZB** Class capitalisation shares [LU3168153750]
- **ZB** Class distribution shares [LU3168153834]

9. Minimum subscription

No minimum subscription is required for the different share classes except for the **V2** Class, for which the minimum initial subscription is EUR 20,000,000.

10. Fees and charges

Classes	**Fees and charges**				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max 2.5%	0%	Max 2.5%	Max 0.75%	Max 0.29%
I	0%	0%	0%	Max. 0.30%	Max 0.23%
I2	0%	0%	0%	Max 0.50%	Max 0.23%
N	0%	0%	0%	Max 1%	Max 0.29%
R	Max 2.5%	0%	0%	Max 0.40%	Max 0.29%
R2	Max 2.5%	0%	Max 2.5%	Max 0.19%	Max 0.29%
V2	0%	0%	0%	Max. 0.30%	Max 0.23%
VB	0%	0%	0%	Max 0.19%	Max 0.29%
Z	0%	0%	0%	0%	Max 0.23%
ZB	0%	0%	0%	0%	Max 0.23%

Outperformance fee

For each share class in the table below, the Management Company may be entitled to an outperformance fee calculated according to the "5Y Clawback" methodology defined in the section entitled *Costs and charges, Outperformance fees* in the Prospectus and based on the outperformance of the NAV in relation to the reference indicator ("benchmark") as defined in the table below.

Class	Currency	ISIN	Provisioning rate	Benchmark	Methodology
I	EUR	LU0237841142	20%	iBoxx € Corporates (Total Return)	5Y Clawback
I	EUR	LU1258427472			

11. Frequency of net asset value calculation: Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

This Fact Sheet forms an integral part of the Prospectus dated 14 September 2026.

Candriam Bonds Euro Corporate 2036
Fact Sheet

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 objective of the sub-fund is to use discretionary management to benefit from the performance of the market in bonds denominated in EUR and issued by private sector issuers up to the maturity of the sub-fund.

The maturity date is initially set at 31 December 2036. The Board of Directors of the SICAV reserves the right to modify this date depending on market conditions and the possibility of achieving the investment objective set. Such a decision must be taken no later than two months before the maturity date set.

Exceptionally, and before the maturity date set, the Board of Directors of the SICAV may decide to prematurely close the sub-fund in order to preserve the interests of shareholders. This decision may be motivated, in particular, by difficulties in managing the sub-fund or by the impossibility of achieving the investment objective.
In such a case, shareholders will automatically be reimbursed on the basis of the net asset value on the maturity date.

This sub-fund may be appropriate for investors of any type who wish to achieve this objective over a long investment holding period and who are aware of, understand and are able to bear the specific risks of the sub-fund as set out below and defined in the section entitled Risk factors in the Prospectus.

2. Investment policy

The assets in this sub-fund are primarily invested in debt securities (bonds and other equivalent securities) denominated in EUR.

These securities are issued by private sector issuers deemed to be of high quality (rated at least BBB/Baa3 by one of the rating agencies at the time of acquisition or considered to be in an equivalent rating category by the Management Company).

The sub-fund may also make use of derivative financial instruments on the regulated and/or over-the-counter markets for the purpose of hedging, exposure and/or arbitrage.
The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility spreads such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps), forwards, options and futures.
For example the sub-fund may also make use of interest rate or credit transactions for the purpose of hedging, exposure and/or arbitrage.

The remainder of the assets may be invested in particular in:

- Transferable securities other than those described above and in particular:
  - High yield bonds (maximum 30% of the net assets)
  - Convertible bonds,
  - Contingent convertible bonds (CoCos) (maximum 10% of net assets),
  - Subordinated debt instruments (maximum 30% of net assets),
  - Emerging market bonds,

  All of the above instruments represent a maximum of 30% of the Sub-Fund's net assets and the securities benefit from a minimum B-/B3 rating by one of the renowned rating agencies at the time of their acquisition or considered to be in an equivalent rating category by the Management Company.

- Securities issued or guaranteed by Governments, international and supranational organisations, public law collective investment undertakings and semi-public issuers,
- Money market instruments and/or
- Cash and deposits.

In view of the sub-fund's buy & hold investment strategy, securities will not be automatically sold if their rating falls below B-/B3 after acquisition. In such a case, the Management Company will assess the situation and take any measures it deems appropriate, in the best interest of the shareholders.

As the maturity date approaches, the sub-fund may be invested mainly in cash and money market instruments.
Exposures to currencies other than the euro may be hedged against the foreign exchange risk, but this will not be done systematically.

The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

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

The analysis of ESG criteria is also embedded in the financial management of the portfolio.
At least 90% of the sub-fund's investments in private sector issuers are subject to an non-financial rating.
The sub-fund also seeks to exclude certain companies as described in the SFDR Annex.

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

For more information about ESG aspects, please visit the Candriam website at the following link:
http://www.candriam.com/fr/professional/sfdr/
Exclusion policy: document entitled Candriam Exclusion Policy
Engagement policy: document entitled Candriam Engagement Policy

3. Efficient portfolio management techniques

The sub-fund will use securities lending transactions in a proportion which may vary between 50% and 75% of the net assets of the portfolio, and which may reach a maximum of 100% of the net assets of the portfolio, under certain market conditions.
In any case, these operations will only be carried out if market conditions allow income to be generated for the sub-fund.

The sub-fund will use reverse repurchase agreements in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may reach a maximum of 50% of the net assets of the portfolio, under certain market conditions.
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 will 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

- Risk of capital loss
- Interest rate risk
- Credit risk
- Emerging countries risk
- Liquidity risk
- Risk associated with derivative financial instruments
- Counterparty risk
- Sustainability risk
- ESG investment risk
- Equity risk
- Risk associated with investing in CoCos
- Foreign exchange risk
- Concentration risk
- Risk related to external factors

A general explanation of the various risk factors is given in the section entitled *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.

4.3 Liquidity management tools

- Gates
- Redemptions in kind
- Swing pricing

The general explanation of the various liquidity management tools is given in the section entitled Risk management in the Prospectus.

5. Valuation currency of the sub-fund: EUR

6. Form of the shares: registered shares only.

7. Share classes

- **Classique** Class capitalisation shares [LU0077500055]
- **Classique** Class distribution shares [LU0108056432]

- **I2** Class capitalisation shares [LU0144745956]
- **I2** Class distribution shares [LU0459960851]

- **R** Class capitalisation shares [LU1269890320]

- **R2** Class capitalisation shares [LU1410489451]
- **R2** Class distribution shares [LU1410489535]
- **VB** Class capitalisation shares [LU2878943179]
- **VB** Class distribution shares [LU2878941397]

- **Y** Class capitalisation shares [LU3225029829]

- **Z** Class capitalisation shares [LU0252963110]
- **Z** Class distribution shares [LU1410489618]

- **ZB** Class capitalisation shares [LU3168153321]

8. Minimum subscription

No minimum subscription is required for the different classes of shares.

9. Fees and charges

Classes	Fees and charges				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max 2.5%	0%	Max 2.5%	Max 0.75%	Max 0.33%
I2	0%	0%	0%	Max 0.40%	Max 0.25%
R	Max 2.5%	0%	0%	Max 0.40%	Max 0.33%
R2	Max 2.5%	0%	Max 2.5%	Max 0.15%	Max 0.33%
VB	0%	0%	0%	Max 0.15%	Max 0.33%
Y	Max 2.5%	0%	0%	Max 0.20%	Max 0.25%
Z	0%	0%	0%	0%	Max 0.25%
ZB	0%	0%	0%	0%	Max 0.25%

10. Frequency of net asset value calculation: Each Bank Business Day.

11. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

This Fact Sheet forms an integral part of the Prospectus dated 14 September 2026.

Candriam Bonds Euro Diversified
Fact Sheet

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 objective of the sub-fund is to use discretionary management to benefit from the performance of the market in bonds denominated mainly in EUR, issued by highly rated eurozone issuers of all types and with a maturity of between 1 and 10 years, and to outperform the benchmark.

This sub-fund may be appropriate for investors of any type who wish to achieve this objective over a medium 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 assets of this sub-fund are invested principally in debt securities (bonds and other equivalent securities) denominated in EUR, with a maturity of between 1 and 10 years, which may notably be at fixed or variable rates, indexed, subordinated (up to 10% of net assets) or backed by assets.

These securities are issued or guaranteed by governments, international and supranational organisations, public sector entities and semi-public issuers and/or private sector issuers, considered to be good quality (rated at least BBB-/Baa3 by one of the rating agencies) or considered to be of equivalent quality by the Management Company (in particular if there is no rating).

The remainder of the assets may be invested in:

- Transferable securities other than those described above (notably high yield bonds (up to 20% of net assets), convertible bonds, inflation-linked bonds, contingent convertible bonds (up to 5% of net assets), asset-backed securities (up to 5% of net assets), mortgage-backed securities (up to 5% of net assets), emerging market bonds...) and/or
- Money market instruments and/or
- Cash.

The sub-fund may also make use of derivative financial instruments on the regulated and/or over-the-counter markets for the purpose of hedging, exposure and/or arbitrage.

The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility spreads such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps), forwards, options and futures.
Total return swaps may relate to a maximum of 50% of the net assets of the sub-fund. The proportion is normally expected to vary between 0% and 25%.

The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

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

The analysis of private sector issuers' greenhouse gas emissions is taken into account, seeking a carbon footprint for the sub-fund which is below that of its benchmark. This analysis of private sector issuers is applied to at least 90% of the sub-fund's investments, apart from deposits, cash and index derivatives.

The analysis of ESG criteria is also embedded in the financial management of the portfolio.

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

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

For more information about the ESG criteria, please see the transparency code which is available via the following link:

https://www.candriam.com/documents/candriam/article_205/en/document.pdf

3. Efficient portfolio management techniques

The sub-fund will use securities lending transactions in a proportion which may vary between 25% and 50% of the net assets of the portfolio, and which may reach a maximum of 75% of the net assets of the portfolio, under certain market conditions.
In any case, these operations will only be carried out if market conditions allow income to be generated for the sub-fund.

The sub-fund will use reverse repurchase agreements in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may reach a maximum of 50% of the net assets of the portfolio, under certain market conditions.
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 will 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. 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	Bloomberg Euro-Aggregate 1-10 Year (Total Return)
Index definition	The index measures the performance of investment grade bonds denominated in EUR with maturities between 1 and 10 years.
Use of the index	▪ As an investment universe. In general, the issuers contained in the sub-fund portfolio are mostly contained in the index. However, investments outside the index are permitted, ▪ In determining risk levels / risk parameters, ▪ To compare performance, ▪ To calculate the outperformance fee for some share classes.
Divergence of portfolio composition from the index	As the sub-fund is managed actively, it does not aim to invest in each component of the index nor to invest in the same proportions as the components of the index. In normal market conditions, the expected tracking error of the sub-fund will be limited to moderate, namely between 0.4% and 1.5%. This measure is an estimation of the divergence of the sub-fund's performance compared to the performance of the benchmark. The greater the tracking error, the greater the deviations from the index. The actual tracking error depends in particular on market conditions (volatility and correlations between financial instruments) and may therefore differ from the expected tracking error.

Index provider	Bloomberg Index Services Limited
	The benchmark index is provided by Bloomberg Index Services Limited which, since Brexit, is an entity which is covered by the transitional provision in Article 51(5) of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.
	The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark 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.

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Liquidity risk
- Risk associated with derivative financial instruments
- Counterparty risk
- Emerging countries risk
- Sustainability risk
- ESG investment risk
- Equity risk
- Risk associated with investing in CoCos
- Foreign exchange risk
- Risk of changes to the benchmark index by the index provider
- Risk related to external factors

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.

5.2 Risk management

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

5.3 Liquidity management tools

- Gates
- Redemptions in kind
- Swing pricing

The general explanation of the various liquidity management tools is given in the section entitled Risk management in the Prospectus.

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

7. Form of the shares: registered shares only.

8. Share classes

- **Classique** Class capitalisation shares [LU0093577855]
- **Classique** Class distribution shares [LU0093578077]

- **I** Class capitalisation shares [LU0144744124]
- **I** Class distribution shares [LU1258427639]

- **R** Class capitalisation shares [LU1269890080]

- **R2** Class capitalisation shares [LU1410487919]
- **R2** Class distribution shares [LU1410488057]

- **VB** Class capitalisation shares [LU2878944904]
- **VB** Class distribution shares [LU2878945034]

- **Z** Class capitalisation shares [LU0252961767]
- **Z** Class distribution shares [LU1410488131]

- **ZB** Class capitalisation shares [LU3168152943]
- **ZB** Class distribution shares [LU3168153081]

9. Minimum subscription

No minimum subscription is required for the different classes of shares.

10. Fees and charges

Classes	**Fees and charges**				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max 2.5%	0%	Max 2.5%	Max 0.60%	Max 0.33%
I	0%	0%	0%	Max. 0.30%	Max 0.25%
R	Max 2.5%	0%	0%	Max 0.40%	Max 0.33%
R2	Max 2.5%	0%	Max 2.5%	Max 0.15%	Max 0.33%
VB	0%	0%	0%	Max 0.15%	Max 0.33%
Z	0%	0%	0%	0%	Max 0.25%
ZB	0%	0%	0%	0%	Max 0.25%

Outperformance fee

For each share class in the table below, the Management Company may be entitled to an outperformance fee calculated according to the "5Y Clawback" methodology defined in the section entitled *Costs and charges, Outperformance fees* in the Prospectus and based on the outperformance of the NAV in relation to the reference indicator ("benchmark") as defined in the table below.

Class	Currency	ISIN	Provisioning rate	Benchmark	Methodology
I	EUR	LU0144744124	20%	Bloomberg Euro-Aggregate 1-10 Year (Total Return)	5Y Clawback
I	EUR	LU1258427639			

11. Frequency of net asset value calculation: Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

This Fact Sheet forms an integral part of the Prospectus dated 14 September 2026.

Candriam Bonds Euro Government
Fact Sheet

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 objective of the sub-fund is to use discretionary management to benefit from the performance of the market in bonds issued or guaranteed by eurozone governments, international and supranational organisations and public sector entities, and to outperform the benchmark.

This sub-fund may be appropriate for investors of any type who wish to achieve this objective over a medium 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 assets of this sub-fund will be invested principally in debt securities (bonds and other equivalent securities) denominated in EUR which may notably be at fixed or variable rates or indexed.

These securities are issued or guaranteed by governments, international and supranational organisations and public entities in the eurozone.

The remainder of the assets may be invested in transferable securities or money-market instruments other than those described above, or in cash.

Exposures to currencies other than the euro will be hedged against foreign exchange risk. As the risks cannot be fully hedged at all times, a marginal residual foreign exchange risk may remain.

The sub-fund may also make use of derivative financial instruments on the regulated or over-the-counter markets for the purpose of hedging, exposure and/or arbitrage.

The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility spreads such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps), forwards, options and futures.

For example the sub-fund may also make use of interest rate transactions for the purpose of hedging, exposure and/or arbitrage.

The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

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

The sub-fund aims to invest at least 10% of its net assets in green bonds.
The goal is to increase the proportion of green bonds up to 20% by the end of 2025 as the green bond market grows and issuers diversify. Green bonds eligible for the sub-fund can include sovereign issues, quasi-sovereign issues.

For more information about the ESG criteria, please see the transparency code which is available via the following link:

https://www.candriam.com/documents/candriam/article_205/en/document.pdf

3. Efficient portfolio management techniques

The sub-fund will use securities lending transactions in a proportion which may vary between 50% and 75% of the net assets of the portfolio, and which may reach a maximum of 75% of the net assets of the portfolio, under certain market conditions.
In any case, these operations will only be carried out if market conditions allow income to be generated for the sub-fund.

The sub-fund will use reverse repurchase agreements in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may reach a maximum of 50% of the net assets of the portfolio, under certain market conditions.
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 will 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. 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	J.P. Morgan EMU (Total Return)
Index definition	The index measures the performance of EUR-denominated domestic government bonds issued by western eurozone countries.
Use of the index	▪ As an investment universe. In general, the issuers contained in the sub-fund portfolio are mostly contained in the index. However, investments outside the index are permitted, ▪ In determining risk levels / risk parameters, ▪ To compare performance, ▪ To calculate the outperformance fee for some share classes. For share classes in currencies other than the currency of the sub-fund, another corresponding index may be used in order to calculate performance fees as applicable (see "Outperformance fee" below)
Divergence of portfolio composition from the index	As the sub-fund is managed actively, it does not aim to invest in each component of the index nor to invest in the same proportions as the components of the index. In normal market conditions, the expected tracking error of the sub-fund will be limited to moderate, namely between 0.4% and 1.5%. This measure is an estimation of the divergence of the sub-fund's performance compared to the performance of the benchmark. The greater the tracking error, the greater the deviations from the index. The actual tracking error depends in particular on market conditions (volatility and correlations between financial instruments) and may therefore differ from the expected tracking error.

Index provider	J.P. Morgan Securities PLC
	The benchmark is provided by J.P. Morgan Securities PLC which is, since Brexit, an entity which is covered by the transitional provision in Article 51(5) of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.
	The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark 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.

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Concentration risk
- Risk associated with derivative financial instruments
- Counterparty risk
- Sustainability risk
- ESG investment risk
- Liquidity risk
- Risk of changes to the benchmark index by the index provider
- Risk related to external factors

A general explanation of the various risk factors is given in the section entitled Risk factors in the Prospectus.

5.2 Risk management

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

5.3 Liquidity management tools

- Gates
- Redemptions in kind
- Swing pricing

The general explanation of the various liquidity management tools is given in the section entitled Risk management in the Prospectus.

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

7. Form of the shares: registered shares only.

8. Share classes

- **Classique** Class capitalisation shares, denominated in EUR [LU0157930404]
- **Classique** Class distribution shares, denominated in EUR [LU0157930313]

- **I** Class capitalisation shares, denominated in EUR [LU0156671926]
- **I** Class distribution shares, denominated in EUR [LU1258427555]

- **I2** Class capitalisation shares, denominated in EUR [LU2739045735]

- **N** Class capitalisation shares, denominated in EUR [LU0156671843]

- **R** Class capitalisation shares, denominated in EUR [LU1269889744]
- **R** Class capitalisation shares, denominated in GBP [LU1269889827]

- **R2** Class capitalisation shares, denominated in EUR [LU1410487679]
- **R2** Class distribution shares, denominated in EUR [LU1410487752]

- **V** Class distribution shares, denominated in EUR [LU3459102805]

- **V2** Class distribution shares, denominated in EUR [LU3459102714]

- **VB** Class capitalisation shares, denominated in EUR [LU2878941470]
- **VB** Class distribution shares, denominated in EUR [LU2878941553]

- **Z** Class capitalisation shares, denominated in EUR [LU0252949713]
- **Z** Class distribution shares, denominated in EUR [LU1410487836]

- **ZB** Class capitalisation shares, denominated in EUR [LU3168154485]
- **ZB** Class distribution shares, denominated in EUR [LU3168154568]

9. Minimum subscription

No minimum subscription is required for the different classes of shares.

10. Fees and charges

Classes	**Fees and charges**				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max 2.5%	0%	Max 2.5%	Max 0.60%	Max 0.33%
I	0%	0%	0%	Max 0.20%	Max 0.25%
I2	0%	0%	0%	Max 0.40%	Max 0.25%
N	0%	0%	0%	Max 1%	Max 0.33%
R	Max 2.5%	0%	0%	Max 0.40%	Max 0.33%
R2	Max 2.5%	0%	Max 2.5%	Max 0.15%	Max 0.33%
V	0%	0%	0%	Max 0.15%	Max 0.25%
V2	0%	0%	0%	Max 0.20%	Max 0.25%
VB	0%	0%	0%	Max 0.15%	Max 0.33%
Z	0%	0%	0%	0%	Max 0.25%
ZB	0%	0%	0%	0%	Max 0.25%

Outperformance fee

For each share class in the table below, the Management Company may be entitled to an outperformance fee calculated according to the "5Y Clawback" methodology defined in the section entitled *Costs and charges, Outperformance fees* in the Prospectus and based on the outperformance of the NAV in relation to the reference indicator ("benchmark") as defined in the table below.

Class	Currency	ISIN	Provisioning rate	Benchmark	Methodology
I	EUR	LU0156671926	20%	J.P. Morgan EMU (Total Return)	5Y Clawback
I	EUR	LU1258427555			
V	EUR	LU3459102805			

11. Frequency of net asset value calculation: Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

This Fact Sheet forms an integral part of the Prospectus dated 14 September 2026.

Candriam Bonds Euro High Yield
Fact Sheet

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 objective of the sub-fund is to use discretionary management to benefit from the performance of the market in high yield bonds denominated in EUR and issued by private sector issuers, and to outperform the benchmark.
These high yield securities are generally poorly rated and exposed to higher credit risk and liquidity risk than more highly rated securities; they may be subject to greater market value fluctuations and lower liquidity.

This sub-fund may be appropriate for investors of any type who wish to achieve this objective over a medium 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 objective of this sub-fund is to offer investors exposure to the high yield market (debt of companies with a high credit risk).

Accordingly, the assets of this sub-fund will be invested principally in debt securities denominated in EUR (including bonds, notes or bills) of issuers with a rating exceeding B-/B3 and/or in derivative products (credit derivatives based on indices or individual names) of issuers of the same quality.

The remainder of the assets may be invested in transferable securities (notably convertible bonds) or money-market instruments other than those described above, or in cash.

Exposures to currencies other than the euro will generally be hedged. Under no circumstances will the non-euro exposures exceed 10%.

The sub-fund may also make use of derivative financial instruments on the regulated and/or over-the-counter markets for the purpose of hedging, exposure and/or arbitrage.
The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility spreads such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps, total return swaps), forwards, options and futures.
Total return swaps may relate to a maximum of 50% of the net assets of the sub-fund. The proportion is normally expected to vary between 0% and 25%.

For example the sub-fund may also make use of interest rate or credit transactions for the purpose of hedging, exposure and/or arbitrage.
The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

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 ESG criteria is also embedded in the financial management of the portfolio.

The analysis of private sector issuers' greenhouse gas emissions is taken into account, seeking a carbon footprint for the sub-fund which is below that of its benchmark. This analysis of private sector issuers is applied to at least 75% of the sub-fund's investments, apart from deposits, cash and index derivatives.

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

Under certain conditions, the analysis and selection process may also be accompanied by active involvement based on dialogue with the companies.
For more information about the ESG criteria, please see the transparency code which is available via the following link:

https://www.candriam.com/documents/candriam/article_205/en/document.pdf

3. Efficient portfolio management techniques

The sub-fund does not use securities lending transactions.

The sub-fund will use reverse repurchase agreements in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may reach a maximum of 50% of the net assets of the portfolio, under certain market conditions.
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 will 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. 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	ICE BofA BB-B Euro Non-Financial High Yield Constrained Index (Total Return)
Index definition	The benchmark measures the performance of below investment grade non-financial corporate bonds denominated in EUR, rated from BB1 to B3, issued on the domestic eurozone or eurobond markets, with issuer exposure capped at 3%.
Use of the index	▪ as an investment universe. In general, the issuers contained in the sub-fund portfolio are mostly contained in the index. However, investments outside the index are permitted, ▪ in determining risk levels / risk parameters, ▪ to compare performance, ▪ to calculate the outperformance fee for some share classes. For share classes in currencies other than the currency of the sub-fund, another corresponding index may be used in order to calculate performance fees as applicable (see "Outperformance fee" below)
Divergence of portfolio composition from the index	As the sub-fund is managed actively, it does not aim to invest in each component of the index nor to invest in the same proportions as the components of the index. In normal market conditions, the expected tracking error of the sub-fund will be moderate to large, namely between 0.75% and 3%. This measure is an estimation of the divergence of the sub-fund's performance compared to the performance of the benchmark. The greater the tracking error, the greater the deviations from the index. The actual tracking error depends in particular on market conditions (volatility and correlations between financial instruments) and may therefore differ from the expected tracking error.

Index provider	ICE Data Indices LLC
	The benchmark index is provided by ICE Data Indices LLC which, since Brexit, is an entity which is covered by the transitional provision in Article 51(5) of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.
	The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark 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.

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Liquidity risk
- Risk associated with derivative financial instruments
- Counterparty risk
- Sustainability risk
- ESG investment risk
- Equity risk
- Foreign exchange risk
- Volatility risk
- Emerging countries risk
- Risk of changes to the benchmark index by the index provider
- Risk related to external factors
- Hedging risk of the share classes

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.

Subscribers' attention is drawn to the management style of this sub-fund which is partly invested in securities classified as speculative by the ratings agencies and which are traded on markets whose operating conditions, in terms of transparency and liquidity, may differ considerably from the standards accepted on international stock markets or regulated markets. Consequently, the product is aimed at investors who have sufficient experience to be able to assess the merits and risks.

5.2 Risk management

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

5.3 Liquidity management tools

- Gates
- Redemptions in kind
- Swing pricing

The general explanation of the various liquidity management tools is given in the section entitled Risk management in the Prospectus.

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

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

8. **Share classes**

- **Classique** Class capitalisation shares, denominated in EUR [LU0012119607]
- **Classique** Class distribution shares, denominated in EUR [LU0012119789]
- **Classique (q)** Class distribution shares, denominated in EUR [LU1269890163]
- **Classique-H** Class capitalisation shares, denominated in USD [LU1258428280]
- **Classique-H** Class distribution shares, denominated in USD [LU1375972418]

- **I** Class capitalisation shares, denominated in EUR [LU0144746509]
- **I** Class distribution shares, denominated in EUR [LU1258427985]
- **I** Class capitalisation shares, denominated in GBP [LU1184247861].
- **I-H** Class capitalisation shares, denominated in USD [LU1375972509]

- **I2** Class capitalisation shares, denominated in EUR [LU2739045222]
- **I2** Class distribution shares, denominated in EUR [LU2026170345]
- **I2-H** Class capitalisation shares, denominated in USD [LU2800012952]

- **N** Class capitalisation shares, denominated in EUR [LU0144751095]

- **R** Class capitalisation shares, denominated in EUR [LU0942153742]
- **R** Class capitalisation shares, denominated in GBP [LU1184247606]
- **R-H** Class capitalisation shares, denominated in USD [LU1511857465]
- **R-H** Class capitalisation shares, denominated in CHF [LU1258428017]
- **R(q)** Class distribution shares, denominated in EUR [LU1375972848]
- **R(q)-H** Class distribution shares, denominated in GBP [LU1375972921]

- **R2** Class capitalisation shares, denominated in EUR [LU1410488487]
- **R2** Class distribution shares, denominated in EUR [LU1410488560]
- **R2-H** Class capitalisation shares, denominated in USD [LU1410488644]

- **S** Class capitalisation shares, denominated in EUR [LU1432307756]
- **S-H** Class capitalisation shares, denominated in USD [LU2130892933]
- **S-H** Class distribution shares, denominated in USD [LU2130893071]
- **S-H** Class capitalisation shares, denominated in CHF [LU2130893154]
- **S-H** Class capitalisation shares, denominated in GBP [LU2130893238]
- **S(s)** Class distribution shares, denominated in EUR [LU1010337324]

- **S2** Class capitalisation shares, denominated in EUR [LU1633811333]

- **S4** Class capitalisation shares, denominated in EUR [LU1410488305]

- **V** Class capitalisation shares, denominated in EUR [LU0891843558]
- **V** Class distribution shares, denominated in EUR [LU2592305275]
- **V-H** Class capitalisation shares, denominated in USD [LU1375972681]
- **V-H** Class capitalisation shares, denominated in CHF [LU2800013174]

- **V2** Class capitalisation shares, denominated in EUR [LU2241127344]
- **V2-H** Class capitalisation shares, denominated in USD [LU2800013091]

- **VB** Class capitalisation shares, denominated in EUR [LU2878945463]
- **VB** Class distribution shares, denominated in EUR [LU2878943336]
- **VB-H** Class capitalisation shares, denominated in USD LU2884010633]

- **Z** Class capitalisation shares, denominated in EUR [LU0252971055]
- **Z** Class distribution shares, denominated in EUR [LU1410488214]

9. Minimum subscription

No minimum subscription is required for the different share classes **except for the following classes**:

- The minimum initial subscription for the **S** Class is EUR 25,000,000 or the equivalent of EUR 25,000,000 in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

- The minimum initial subscription for the **S2** Class is EUR 100,000,000 or the equivalent of EUR 100,000,000 in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

- The minimum initial subscription for the **S4** Class is EUR 75,000,000 or the equivalent of EUR 75,000,000 in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

- The minimum initial subscription for the **V and V2** Classes is EUR 20,000,000 or the equivalent of EUR 20,000,000 in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

10. Fees and charges

Classes	**Fees and charges**				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max 2.5%	0%	Max 2.5%	Max 1.20%	Max. 0.35%
I	0%	0%	0%	Max 0.60%	Max 0.28%
I2	0%	0%	0%	Max 0.80%	Max 0.28%
N	0%	0%	0%	Max 1.60%	Max. 0.35%
R	Max 2.5%	0%	0%	Max 0.70%	Max. 0.35%
R2	Max 2.5%	0%	Max 2.5%	Max. 0.30%	Max. 0.35%
S / S(s) / S2	0%	0%	0%	Max 0.40%	Max 0.28%
V	0%	0%	0%	Max 0.40%	Max 0.28%
V2	0%	0%	0%	Max 0.60%	Max 0.28%
S4	0%	0%	0%	Max 0.50%	Max 0.28%
VB	0%	0%	0%	Max. 0.30%	Max. 0.35%
Z	0%	0%	0%	0%	Max 0.28%

Outperformance fee

For each share class in the table below, the Management Company may be entitled to an outperformance fee calculated according to the "5Y Clawback" methodology defined in the section entitled *Costs and charges, Outperformance fees* in the Prospectus and based on the outperformance of the NAV in relation to the reference indicator ("benchmark") as defined in the table below.

Class	Currency	ISIN	Provisioning rate	Benchmark	Methodology
I	EUR	LU0144746509	20%	ICE BofA BB-B Euro Non-Financial High Yield Constrained Index (Total Return)	5Y Clawback
I	EUR	LU1258427985			
V	EUR	LU0891843558			
V	EUR	LU2592305275			
I	GBP	LU1184247861		ICE BofA BB-B Euro Non-Financial High Yield Constrained Index (Total Return) GBP	
I-H	USD	LU1375972509		ICE BofA BB-B Euro Non-Financial High Yield Constrained Index (Total Return) USD Hedged	
V-H	USD	LU1375972681			
V-H	CHF	LU2800013174		ICE BofA BB-B Euro Non-Financial High Yield Constrained Index (Total Return) CHF Hedged	

11. Frequency of net asset value calculation: Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

This Fact Sheet forms an integral part of the Prospectus dated 14 September 2026.

Candriam Bonds Euro Short Term
Fact Sheet

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 objective of the sub-fund is to use discretionary management to benefit from the performance of the market in bonds denominated in EUR with a duration of no more than 3 years and a residual term not exceeding 5 years, issued by highly rated issuers, and to outperform the benchmark.

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 assets of this sub-fund will mainly be invested in debt securities (bonds and other analogous securities) denominated in EUR with a duration, i.e. sensitivity to movements in interest rates, **not exceeding three years** and a residual term of an investment not exceeding five years, which notably may be at either fixed or variable rates, indexed, subordinated or backed by assets.

The securities are issued by private sector issuers, issued or guaranteed by governments, international and supranational organisations, public entities and semi-public issuers. These issuers will be considered good quality (rated at least BBB-/Baa3 by one of the rating agencies at the time of purchase).

The remainder of the assets may be invested in marketable securities or money-market instruments other than those described above (including high yield bonds up to 10% of net assets, contingent convertible bonds (CoCos) up to 5% of net assets), or in cash.

Exposures to currencies other than the euro will be hedged against foreign exchange risk. As the risks cannot be fully hedged at all times, a marginal residual foreign exchange risk may remain.

The sub-fund may also make use of derivative financial instruments on the regulated and/or over-the-counter markets for the purpose of hedging, exposure and/or arbitrage.
The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility spreads such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps), forwards, options and futures.
For example the sub-fund may also make use of interest rate or credit transactions for the purpose of hedging, exposure and/or arbitrage.
Total return swaps may relate to a maximum of 25% of the net assets of the sub-fund. The proportion is normally expected to vary between 0% and 20%.

The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

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

The analysis of private sector issuers' greenhouse gas emissions is taken into account, seeking a carbon footprint for the sub-fund which is below that of its benchmark. This analysis of private sector issuers is applied to at least 90% of the sub-fund's investments, apart from deposits, cash and index derivatives.

The analysis of ESG criteria is also embedded in the financial management of the portfolio.

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

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

For more information about the ESG criteria, please see the transparency code which is available via the following link:

https://www.candriam.com/documents/candriam/article_205/en/document.pdf

3. Efficient portfolio management techniques

The sub-fund will use securities lending transactions in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may reach a maximum of 50% of the net assets of the portfolio, under certain market conditions.
In any case, these operations will only be carried out if market conditions allow income to be generated for the sub-fund.

The sub-fund will use reverse repurchase agreements in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may reach a maximum of 50% of the net assets of the portfolio, under certain market conditions.
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 will 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. 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	iBoxx € Corporates 1-3 (Total Return)
Index definition	The index measures the performance of investment grade bonds denominated in EUR with maturities of between 1 and 3 years.
Use of the index	▪ As an investment universe. In general, the issuers contained in the sub-fund portfolio are mostly contained in the index. However, investments outside the index are permitted, ▪ In determining risk levels / risk parameters, ▪ To compare performance, ▪ To calculate the outperformance fee for some share classes.
Divergence of portfolio composition from the index	As the sub-fund is managed actively, it does not aim to invest in each component of the index nor to invest in the same proportions as the components of the index. In normal market conditions, the expected tracking error of the sub-fund will be between 0% and 0.6%, which corresponds to limited to moderate deviations for a short-term bond sub-fund. This measure is an estimation of the divergence of the sub-fund's performance compared to the performance of the benchmark. The greater the tracking error, the greater the deviations from the index. The actual tracking error depends in particular on market conditions (volatility and correlations between financial instruments) and may therefore differ from the expected tracking error.

Index provider	IHS Markit Benchmark Administration Limited
	The benchmark index is provided by IHS Markit Benchmark Administration Limited which, since Brexit, is an entity which is covered by the transitional provision in Article 51(5) of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.
	The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark 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.

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Liquidity risk
- Risk associated with derivative financial instruments
- Counterparty risk
- Sustainability risk
- ESG investment risk
- Risk associated with investing in CoCos
- Concentration risk
- Emerging countries risk
- Risk of changes to the benchmark index by the index provider
- Risk related to external factors

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.

5.2 Risk management

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

5.3 Liquidity management tools

- Gates
- Redemptions in kind
- Swing pricing

The general explanation of the various liquidity management tools is given in the section entitled Risk management in the Prospectus.

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

7. Form of the shares: registered shares only.

8. Share classes

- **Classique** Class capitalisation shares [LU0157929810]
- **Classique** Class distribution shares [LU0157929737]

- **I** Class capitalisation shares [LU0156671504]
- **I** Class distribution shares [LU0594540485]

- **I2** Class capitalisation shares [LU2739045495]

- **N** Class capitalisation shares [LU0156671413]

- **R** Class capitalisation shares [LU1269890593]

- **R2** Class capitalisation shares [LU1410489709]
- **R2** Class distribution shares [LU1410489881]

- **S** Class capitalisation shares [LU1184248083]

- **VB** Class capitalisation shares [LU2878941637]
- **VB** Class distribution shares [LU2878941710]

- **Z** Class capitalisation shares [LU0252964431]
- **Z** Class distribution shares [LU0459960778]

9. Minimum subscription

No minimum subscription is required for the different classes except for the **S** Class, for which the minimum initial subscription is EUR 25,000,000 (this minimum may be changed at the discretion of the Board of Directors provided that equal treatment of shareholders is ensured on the same Valuation Date).

10. Fees and charges

Classes	**Fees and charges**				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max 2.5%	0%	Max 2.5%	Max 0.40%	Max 0.33%
I	0%	0%	0%	Max 0.20%	Max 0.25%
I2	0%	0%	0%	Max 0.40%	Max 0.25%
N	0%	0%	0%	Max 0.80%	Max 0.33%
R	Max 2.5%	0%	0%	Max. 0.30%	Max 0.33%
R2	Max 2.5%	0%	Max 2.5%	Max 0.10%	Max 0.33%
S	0%	0%	0%	Max 0.12%	Max 0.25%
VB	0%	0%	0%	Max 0.15%	Max 0.33%
Z	0%	0%	0%	0%	Max 0.25%

Outperformance fee

For each share class in the table below, the Management Company may be entitled to an outperformance fee calculated according to the "5Y Clawback" methodology defined in the section entitled *Costs and charges, Outperformance fees* in the Prospectus and based on the outperformance of the NAV in relation to the reference indicator ("benchmark") as defined in the table below.

Class	Currency	ISIN	Provisioning rate	Benchmark	Methodology
I	EUR	LU0156671504	20%	iBoxx € Corporates 1-3 (Total Return)	5Y Clawback
I	EUR	LU0594540485			

11. Frequency of net asset value calculation: Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

This Fact Sheet forms an integral part of the Prospectus dated 14 September 2026.

Candriam Bonds Floating Rate Notes
Fact Sheet

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 objective of the sub-fund is to benefit from the performance of the market in bonds denominated in EUR with an interest rate sensitivity between 0 and 3 years, issued by highly rated issuers, on the basis of discretionary management, not involving any reference to a benchmark.

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 assets of this sub-fund are invested principally in variable rate debt securities (bonds and other equivalent securities) denominated in EUR which may notably be indexed, subordinated or backed by assets. The portfolio will have an interest rate sensitivity between 0 and 3 years.

These securities are issued by private sector issuers, issued or guaranteed by governments, international and supranational organisations, public entities and semi-public issuers. These issuers will mainly be highly rated (rated at least BBB-/Baa3 by one of the rating agencies or considered to be of equivalent quality by the Management Company).

The remainder of the assets may be invested in transferable securities other than those described above (including high yield bonds up to 10% of net assets, contingent convertible bonds (CoCos) up to 5% of net assets, subordinates up to 20% of net assets, asset backed securities up to 5% of net assets and mortgage backed securities up to 5% of net assets), in money market instruments, deposits and/or cash.

Exposures to currencies other than the EUR will be hedged against foreign exchange risk. As the risks cannot be fully hedged at all times, a marginal residual foreign exchange risk may remain.

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

The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility spreads such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps), forwards, options and futures.

For example the sub-fund may also make use of interest rate or credit transactions for the purpose of hedging, exposure and/or arbitrage.

The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

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

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 analysis of ESG criteria is also embedded in the financial management of the portfolio.

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

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

For more information about the ESG criteria, please see the transparency code which is available via the following link:

https://www.candriam.com/documents/candriam/article_205/en/document.pdf

3. Efficient portfolio management techniques

The sub-fund will use securities lending transactions in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may reach a maximum of 50% of the net assets of the portfolio, under certain market conditions.
In any case, these operations will only be carried out if market conditions allow income to be generated for the sub-fund.

The sub-fund will use reverse repurchase agreements in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may reach a maximum of 50% of the net assets of the portfolio, under certain market conditions.
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 will 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. 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 + 0.15%
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, - to calculate the outperformance fee for some share classes. For share classes in currencies other than the currency of the sub-fund, another corresponding index may be used in order to calculate performance fees as applicable (see "Outperformance fee" below)
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.

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Credit risk
- Risk associated with derivative financial instruments
- Counterparty risk
- Sustainability risk
- ESG investment risk
- Interest rate risk
- Risk associated with investing in CoCos
- Liquidity risk
- Concentration risk
- Emerging countries risk
- Risk of changes to the benchmark index by the index provider
- Risk related to external factors
- Hedging risk of the share classes

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.

5.2 Risk management

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

5.3 Liquidity management tools

- Gates
- Redemptions in kind
- Swing pricing

The general explanation of the various liquidity management tools is given in the section entitled Risk management in the Prospectus.

6. Valuation currency of the sub-fund: EUR

7. Form of the shares: registered shares only.

8. Share classes

- **BF** Class capitalisation shares, denominated in EUR [LU2178471418]
- **BF** Class distribution shares, denominated in EUR [LU2178471509]

- **Classique** Class capitalisation shares, denominated in EUR [LU1838941372]
- **Classique** Class distribution shares, denominated in EUR [LU1838941455]
- **Classique-H** Class capitalisation shares, denominated in SEK [LU2512025599]
- **Classique-H** Class distribution shares, denominated in SEK [LU2739045651]
- **Classique-H** Class capitalisation shares, denominated in USD [LU3076152316]

- **I** Class capitalisation shares, denominated in EUR [LU2756974783]

- **I2** Class capitalisation shares, denominated in EUR [LU1838941539]
- **I2** Class distribution shares, denominated in EUR [LU2425448037]
- **I2-H** Class capitalisation shares, denominated in USD [LU2592305358]

- **PI** Class capitalisation shares, denominated in EUR [LU1838941703]

- **R** Class capitalisation shares, denominated in EUR [LU1838941612]
- **R** Class distribution shares, denominated in EUR [LU2015352474]

- **R2** Class capitalisation shares, denominated in EUR [LU2240495288]
- **R2** Class distribution shares, denominated in EUR [LU2240495791]

- **V2** Class capitalisation shares, denominated in EUR [LU1838941885]

- **V** Class capitalisation shares, denominated in EUR [LU3168154139]

- **VB** Class capitalisation shares, denominated in EUR [LU2878942791]
- **VB** Class distribution shares, denominated in EUR [LU2878942874]

- **Z** Class capitalisation shares, denominated in EUR [LU1838941968]

- **ZB** Class capitalisation shares, denominated in EUR [LU3168154212]

9. Minimum subscription

No minimum subscription is required for the different share classes except for the following classes:

- The minimum initial subscription for the **PI** Class is EUR 1,000,000 or the equivalent of EUR 1,000,000 in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

- The minimum initial subscription for the **V** Class is EUR 20,000,000 or the equivalent of EUR 20,000,000 in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

- The minimum initial subscription for the **V2** Class is EUR 20,000,000 or the equivalent of EUR 20,000,000 in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

10. Fees and charges

Classes	**Fees and charges**				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
BF	0%	0%	0%	Max 0.10%	Max 0.25%
Classique	Max 2.5%	0%	Max 2.5%	Max 0.50%	Max 0.33%
I	0%	0%	0%	Max 0.25%	Max 0.25%
I2	0%	0%	0%	Max 0.25%	Max 0.25%
R	Max 2.5%	0%	0%	Max 0.25%	Max 0.33%
R2	Max 2.5%	0%	Max 2.5%	Max 0.125%	Max 0.33%
PI	0%	0%	0%	Max 0.10%	Max 0.25%
V	0%	0%	0%	Max 0.20%	Max 0.25%
V2	0%	0%	0%	Max. 0.15%	Max 0.25%
VB	0%	0%	0%	Max 0.125%	Max 0.33%
Z	0%	0%	0%	0%	Max 0.25%
ZB	0%	0%	0%	0%	Max 0.25%

Outperformance fee

For each share class in the table below, the Management Company may be entitled to an outperformance fee calculated according to the "5Y Clawback" methodology defined in the section entitled *Costs and charges, Outperformance fees* in the Prospectus and based on the outperformance of the NAV in relation to the reference indicator ("benchmark") as defined in the table below.

Class	Currency	ISIN	Provisioning rate	Minimum return rate	Methodology
I	EUR	LU2756974783	20%	Capitalised €STR +0.15% (floored at 0)	5Y Clawback
V	EUR	LU3168154139			

11. Frequency of net asset value calculation: Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

This Fact Sheet forms an integral part of the Prospectus dated 14 September 2026.

Candriam Bonds Global Alpha
Fact Sheet

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 objective of the sub-fund is to use discretionary management to benefit from investment opportunities on the global bond market and to outperform the benchmark, with a volatility objective below 5% under normal market conditions. Volatility may however be higher than this, especially under abnormal market conditions.

This sub-fund may be appropriate for investors of any type who wish to achieve this objective over a medium 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 is a "global macro" bond fund designed to outperform cash. Given its objective, its flexibility should enable it to achieve strong results in all market environments.

The sub-fund's investment process combines an "opportunistic active" (directional) approach and a "relative value" (non-directional) approach. As such, the sub-fund combines:

- Directional strategies designed to benefit from anticipated trends in the interest rate and credit markets through long or short positions. They seek to generate a positive performance by expressing views on the future direction of financial instruments, bond yields or credit spreads. For example, the Fund may take long (short) positions in sovereign bonds when interest rates are expected to fall (rise), or short (long) positions in credit derivatives when credit spreads are expected to widen (tighten).

- Relative value strategies in which long and short positions are taken simultaneously in financial instruments with comparable economic or financial characteristics, in order to benefit from valuation differences or market inefficiencies identified by the Management Company. Such strategies may relate to interest rates, credit and/or foreign exchange. They seek to benefit from relative changes in the valuation of financial instruments or associated risk factors, while limiting exposure to the overall direction of the markets. For example, the Fund may establish long and short positions in different sovereign bond, credit or currency markets when observed valuation difference diverge from historical or fundamental values considered relevant by the Management Company.

These strategies will be implemented through transferable securities but also through the use of derivative financial instruments (on regulated and/or over-the-counter markets). In particular, net negative exposures will be achieved through the use of derivative financial instruments.

The amounts allocated to each of these strategies vary according to market opportunities.

The sub-fund invests primarily in bonds and other debt instruments (including derivative instruments) which are highly rated (rated at least BBB-/ Baa3 by one of the rating agencies or considered to be of equivalent quality by the Management Company) and issued by public, semi-public or private issuers.

The sub-fund may hold, on an ancillary basis:

- Eligible transferable securities other than those described above (specifically contingent convertible bonds (CoCos) up to a maximum of 5% of net assets, subordinated debt securities up to a maximum of 15% of net assets) and/or
- Money market instruments and/or
- Deposits and/or liquidity and/or
- UCIs and UCITS for a maximum of 10% of net assets.

It is possible to invest in instruments in any currency, any sector and any geographic region.

The sub-fund may also, in order to implement its strategy, make use of derivative financial techniques and instruments on the regulated or over-the-counter markets for the purpose of hedging, exposure and/or arbitrage.
The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads (such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps, total return swaps), forwards, options and futures).
Total return swaps may relate to a maximum of 100% of the net assets of the sub-fund. The proportion is normally expected to vary between 0% and 50%.
For example the sub-fund may also make use of interest rate, credit or currency transactions for the purpose of hedging, exposure and/or arbitrage.

The total duration of the sub-fund may vary between -6 years and +6 years.
The net exposure to private sector issuers may vary between -100% and +100%.
The net exposure to high yield issuers and issuers whose country of risk is an emerging market country may vary between -50% and +50%.

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

The analysis of private sector issuers' 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 75% of the sub-fund's eligible investments, apart from deposits, cash and index derivatives.

The analysis of ESG criteria is also embedded in the financial management of the portfolio.

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

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

For more information about the ESG criteria, please see the transparency code which is available via the following link:

https://www.candriam.com/documents/candriam/article_205/en/document.pdf

3. Efficient portfolio management techniques

The sub-fund will use securities lending transactions in a proportion which may vary between 25% and 50% of the net assets of the portfolio, and which may reach a maximum of 75% of the net assets of the portfolio, under certain market conditions.
In any case, these operations will only be carried out if market conditions allow income to be generated for the sub-fund.

The sub-fund will use reverse repurchase agreements in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may reach a maximum of 50% of the net assets of the portfolio, under certain market conditions.
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 will 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. 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, - to calculate the outperformance fee for some share classes. For share classes in currencies other than the currency of the sub-fund, another corresponding index may be used in order to calculate performance fees as applicable (see "Outperformance fee" below)
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.

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Foreign exchange risk
- Risk associated with derivative financial instruments
- Counterparty risk
- Arbitrage risk
- Emerging countries risk
- Liquidity risk
- Sustainability risk
- ESG investment risk
- Equity risk
- Risk associated with investing in CoCos
- Volatility risk
- Risk associated with Chinese debt (via Bond Connect)
- Risk of changes to the benchmark index by the index provider
- Risk related to external factors
- Hedging risk of the share classes

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.

5.2 Risk management

The total derivatives exposure will be calculated using the absolute VaR approach as described in the section entitled *Risk Management*.
The total risk of all the portfolio derivative positions may not exceed an absolute VaR of 20%. This VaR uses a confidence level of 99% and a timeframe of 20 days.

The expected leverage of the fund is 400%, with a maximum of 1000%.
The portfolio may reach the upper limit of this range in various circumstances including, but not limited to, the following:

1) When the positioning is focused on short-term positions,
2) When relative value strategies are implemented involving the offsetting of long and short positions and, in particular, when such strategies focus on short- or medium-term instruments,
3) In the context of highly leveraged options strategies.

The leverage is calculated using the notional method, so these high notional exposures do not necessarily entail a corresponding increase in the portfolio's global risk.

The leverage will be calculated for each derivative instrument using the notional method and will be added to the sub-fund's portfolio of securities.

Investors' attention is drawn to the fact that derivative instruments carry risks which differ from those associated with traditional instruments and in some cases carry higher risks.

Investors are reminded that the sub-fund uses potentially high leverage which can result in losses.
Financial futures markets and total return swaps are characterised, among other things, by the fact that the initial investment is far lower than the nominal contract amount, thereby generating significant leverage.

5.3 Liquidity management tools

- Gates
- Redemptions in kind
- Swing pricing

The general explanation of the various liquidity management tools is given in the section entitled Risk management in the Prospectus.

6. Currency of valuation of the sub-fund: EUR

7. Form of the shares: registered shares only

8. Share classes

- **Classique** Class capitalisation shares, denominated in EUR [LU0252128276]
- **Classique** Class distribution shares, denominated in EUR [LU0252129167]
- **Classique (q)** Class distribution shares, denominated in EUR [LU1269892029]
- **Classique-H** Class capitalisation shares, denominated in USD [LU1184248596]

- **I** Class capitalisation shares, denominated in EUR [LU0252132039]
- **I** Class distribution shares, denominated in EUR [LU1120698102]
- **I-H** Class capitalisation shares, denominated in GBP [LU1184249305]
- **I-H** Class capitalisation shares, denominated in USD [LU1184249644]

- **N** Class capitalisation shares, denominated in EUR [LU0252131148]

- **R** Class capitalisation shares, denominated in EUR [LU1184248752]
- **R-H** Class capitalisation shares, denominated in GBP [LU1184248919]
- **R-H** Class capitalisation shares, denominated in CHF [LU1184249131]

- **R2** Class capitalisation shares, denominated in EUR [LU1410491788]
- **R2** Class distribution shares, denominated in EUR [LU1410491861]

- **S** Class capitalisation shares, denominated in EUR [LU1511858513]
- **S** Class distribution shares, denominated in EUR [LU1511858430]
- **S-H** Class capitalisation shares, denominated in GBP [LU1582239882]

- **V** Class capitalisation shares, denominated in EUR [LU1269892375]

- **VB** Class capitalisation shares, denominated in EUR [LU2878942445]
- **VB** Class distribution shares, denominated in EUR [LU2878942528]

- **Z** Class capitalisation shares, denominated in EUR [LU0252136964]
- **Z-H** Class capitalisation shares, denominated in USD [LU1546486744]
- **Z** Class distribution shares, denominated in EUR [LU1410491945]
- **Z-H** Class capitalisation shares, denominated in GBP [LU2712740252]

- **ZB** Class capitalisation shares, denominated in EUR [LU3168153917]

9. Minimum subscription

No minimum subscription is required for the different share classes except for the following classes:

- The minimum initial subscription for the **S** Class is EUR 25,000,000. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

- The minimum initial subscription for the **V** Class is EUR 20,000,000. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

10. Fees and charges

Classes	**Fees and charges**				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max 2.5%	0%	Max 2.5%	Max 1.15%	Max 0.29%
I	0%	0%	0%	Max 0.60%	Max 0.23%
N	0%	0%	0%	Max 1.30%	Max 0.29%
R	Max 2.5%	0%	0%	Max 0.70%	Max 0.29%
R2	Max 2.5%	0%	Max 2.5%	Max 0.23%	Max 0.29%
S	0%	0%	0%	Max. 0.50%	Max. 0.23%
V	0%	0%	0%	Max 0.40%	Max 0.23%
VB	0%	0%	0%	Max 0.23%	Max 0.29%
Z	0%	0%	0%	0%	Max 0.23%
ZB	0%	0%	0%	0%	Max 0.23%

Outperformance fee

For each share class in the table below, the Management Company may be entitled to an outperformance fee calculated according to the "5Y High Water Mark" methodology defined in the section entitled *Costs and charges, Outperformance fees* in the Prospectus and based on the outperformance of the NAV in relation to the reference indicator as defined in the table below.

Class	Currency	ISIN	Provisioning rate	Minimum return rate	Methodology
Classique	EUR	LU0252128276	20%	Capitalised €STR (floored at 0)	5Y High Water Mark
Classique	EUR	LU0252129167			
Classique (q)	EUR	LU1269892029			
I	EUR	LU0252132039			
I	EUR	LU1120698102			
N	EUR	LU0252131148			
R	EUR	LU1184248752			
R2	EUR	LU1410491788			
R2	EUR	LU1410491861			
S	EUR	LU1511858513			
S	EUR	LU1511858430			
V	EUR	LU1269892375			
VB	EUR	LU2878942445			
VB	EUR	LU2878942528			
Z	EUR	LU0252136964			
Z	EUR	LU1410491945			
ZB	EUR	LU3168153917			
I-H	GBP	LU1184249305		Capitalised SONIA (floored at 0)	
R-H	GBP	LU1184248919			
S-H	GBP	LU1582239882			
Z-H	GBP	LU2712740252			
Classique-H	USD	LU1184248596		Capitalised Effective Federal Funds Rate (floored at 0)	
I-H	USD	LU1184249644			
Z-H	USD	LU1546486744			
R-H	CHF	LU1184249131		Capitalised SARON (floored at 0)	

11. Frequency of net asset value calculation: Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

Candriam Bonds Global Government
Fact Sheet

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 objective of the sub-fund is to use discretionary management to benefit from the performance of the market in bonds denominated in any currency, issued or guaranteed by highly rated governments, international and supranational organisations and public sector entities, and to outperform the benchmark.

This sub-fund may be appropriate for investors of any type who wish to achieve this objective over a medium 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 assets of this sub-fund will be invested principally in debt securities (bonds and other equivalent securities) which may notably be at fixed or variable rates, indexed, subordinated or backed by assets.

The assets will be issued or guaranteed by governments, international and supranational organisations and public entities. These issuers will be considered good quality (rated at least BBB-/Baa3 by one of the rating agencies at the time of purchase).

The remainder of the assets may be invested in transferable securities or money-market instruments other than those described above, or in cash.

These assets are denominated in the local currencies of the issuers or in the currencies of developed countries such as EUR, USD, JPY, GBP.

The sub-fund may also make use of derivative financial instruments on the regulated and/or over-the-counter markets for the purpose of hedging, exposure and/or arbitrage.

The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility spreads such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps), forwards, options and futures.

For example the sub-fund may also make use of interest rate or currency transactions for the purpose of hedging, exposure and/or arbitrage.

The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

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

The sub-fund aims to invest at least 10% of its net assets in green bonds.

The goal is to increase the proportion of green bonds up to 20% by the end of 2025 as the green bond market grows and issuers diversify. Green bonds eligible for the sub-fund can include sovereign issues, quasi-sovereign issues.

For more information about the ESG criteria, please see the transparency code which is available via the following link:
https://www.candriam.com/documents/candriam/article_205/en/document.pdf

3. Efficient portfolio management techniques

The sub-fund will use securities lending transactions in a proportion which may vary between 25% and 50% of the net assets of the portfolio, and which may reach a maximum of 75% of the net assets of the portfolio, under certain market conditions.
In any case, these operations will only be carried out if market conditions allow income to be generated for the sub-fund.

The sub-fund will use reverse repurchase agreements in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may reach a maximum of 50% of the net assets of the portfolio, under certain market conditions.
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 will 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. 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	J.P. Morgan GBI Global (Total Return)
Index definition	The index measures the performance local Treasury bonds of the most liquid developed global markets.
Use of the index	▪ As an investment universe. In general, the issuers contained in the sub-fund portfolio are mostly contained in the index. However, investments outside the index are permitted, ▪ In determining risk levels / risk parameters, ▪ To compare performance.
Divergence of portfolio composition from the index	As the sub-fund is managed actively, it does not aim to invest in each component of the index nor to invest in the same proportions as the components of the index. In normal market conditions, the expected tracking error of the sub-fund will be limited to moderate, namely between 0.4% and 1.5%. This measure is an estimation of the divergence of the sub-fund's performance compared to the performance of the benchmark. The greater the tracking error, the greater the deviations from the index. The actual tracking error depends in particular on market conditions (volatility and correlations between financial instruments) and may therefore differ from the expected tracking error.

Index provider	J.P. Morgan Securities PLC
	The benchmark is provided by J.P. Morgan Securities PLC which is, since Brexit, an entity which is covered by the transitional provision in Article 51(5) of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.
	The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark 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.

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Foreign exchange risk
- Risk associated with derivative financial instruments
- Counterparty risk
- Sustainability risk
- ESG investment risk
- Liquidity risk
- Emerging countries risk
- Risk associated with Chinese debt (via Bond Connect)
- Risk of changes to the benchmark index by the index provider
- Risk related to external factors
- Hedging risk of the share classes

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.

5.2 Risk management

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

5.3 Liquidity management tools

- Gates
- Redemptions in kind
- Swing pricing

The general explanation of the various liquidity management tools is given in the section entitled Risk management in the Prospectus.

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

7. Form of the shares: registered shares only.

8. Share classes

- **Classique** Class capitalisation shares, denominated in EUR [LU0157931550]
- **Classique** Class distribution shares, denominated in EUR [LU0157931394]
- **Classique-AH** Class capitalisation shares, denominated in EUR [LU2629011144]

- **I** Class capitalisation shares, denominated in EUR [LU0156673039]
- **I-AH** Class capitalisation shares, denominated in EUR [LU0391256509]
- **I-H** Class capitalisation shares, denominated in CHF [LU2637815031]

- **R** Class capitalisation shares, denominated in EUR [LU2043253751]

- **R2** Class capitalisation shares, denominated in EUR [LU1410492596]
- **R2** Class distribution shares, denominated in EUR [LU1410492679]

- **V** Class capitalisation shares, denominated in EUR [LU2637815114]
- **V-AH** Class capitalisation shares, denominated in EUR [LU2637814810]

- **VB** Class capitalisation shares, denominated in EUR [LU2878941801]
- **VB** Class distribution shares, denominated in EUR [LU2878941983]

- **Z** Class capitalisation shares [LU0252978738]
- **Z** Class distribution shares [LU1410492752]
- **Z-AH** Class capitalisation shares [LU2015352631]

9. Minimum subscription

No minimum subscription is required for the different classes except for the **V** Class, for which the minimum initial subscription is EUR 20,000,000 (this minimum may be changed at the discretion of the Board of Directors provided that equal treatment of shareholders is ensured on the same Valuation Date).

10. Fees and charges

Classes	**Fees and charges**				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max 2.5%	0%	Max 2.5%	Max 0.60%	Max 0.33%
I	0%	0%	0%	Max. 0.30%	Max 0.25%
R	Max 2.5%	0%	0%	Max 0.40%	Max 0.33%
R2	Max 2.5%	0%	Max 2.5%	Max 0.12%	Max 0.33%
V	0%	0%	0%	Max 0.25%	Max 0.25%
VB	0%	0%	0%	Max 0.15%	Max 0.33%
Z	0%	0%	0%	0%	Max 0.25%

11. Frequency of net asset value calculation: Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

Candriam Bonds Global High Yield
Fact Sheet

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 objective of the sub-fund is to use discretionary management to benefit from the performance of the market in high yield bonds and issued by private sector issuers, and to outperform the benchmark. These high yield securities are generally poorly rated and exposed to higher credit risk and liquidity risk than more highly rated securities; they may be subject to greater market value fluctuations and lower liquidity.

This sub-fund may be appropriate for investors of any type who wish to achieve this objective over a medium 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 objective of the sub-fund is to offer investors exposure to the global high yield market (debt of companies with a high credit risk).

Accordingly, the assets of this sub-fund are invested principally in debt securities (including bonds, notes or bills) of issuers or issues with a rating exceeding B-/B3.

The sub-fund may also invest in derivative products (credit derivatives based on indices or on individual names) of issuers of the same quality.

The remainder of the assets may be invested in transferable securities (notably convertible bonds) or money-market instruments other than those described above, or in cash.

Exposures to currencies other than the euro will generally be hedged. Under no circumstances will the non-euro exposures exceed 10%.

The sub-fund may also make use of derivative financial instruments on the regulated and/or over-the-counter markets for the purpose of hedging, exposure and/or arbitrage.
The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility spreads such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps, total return swaps), forwards, options and futures. Total return swaps may relate to a maximum of 50% of the net assets of the sub-fund. The proportion is normally expected to vary between 0% and 25%.
For example the sub-fund may also make use of interest rate, credit or currency transactions for the purpose of hedging, exposure and/or arbitrage.

The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

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

The analysis of ESG criteria is also embedded in the financial management of the portfolio.

The analysis of private sector issuers' greenhouse gas emissions is taken into account, seeking a carbon footprint for the sub-fund which is below that of its benchmark. This analysis of private sector issuers is applied to at least 75% of the sub-fund's investments, apart from deposits, cash and index derivatives.
The sub-fund also seeks to exclude certain companies as described in the SFDR Annex.

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

For more information about the ESG criteria, please see the transparency code which is available via the following link:

https://www.candriam.com/documents/candriam/article_205/en/document.pdf

3. Efficient portfolio management techniques

The sub-fund does not use securities lending transactions.
The sub-fund will use reverse repurchase agreements in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may reach a maximum of 50% of the net assets of the portfolio, under certain market conditions.
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 will 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. 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	ICE BofA BB-B Global High Yield Non-Financial Constrained Index EUR Hedged (Total Return)
Index definition	The benchmark measures the performance of below investment grade non-financial corporate bonds denominated in USD, CAD, GBP and EUR, rated from BB1 to B3, issued on the main domestic eurozone or eurobond markets, with issuer exposure capped at 2%.
Use of the index	▪ As an investment universe. In general, the issuers contained in the sub-fund portfolio are mostly contained in the index. However, investments outside the index are permitted, ▪ In determining risk levels / risk parameters, ▪ To compare performance, ▪ To calculate the outperformance fee for some share classes. For share classes in currencies other than the currency of the sub-fund, another corresponding index may be used in order to calculate performance fees as applicable (see "Outperformance fee" below)
Divergence of portfolio composition from the index	As the sub-fund is managed actively, it does not aim to invest in each component of the index nor to invest in the same proportions as the components of the index. In normal market conditions, the expected tracking error of the sub-fund will be moderate to large, namely between 0.75% and 3%. This measure is an estimation of the divergence of the sub-fund's performance compared to the performance of the benchmark. The greater the tracking error, the greater the deviations from the index. The actual tracking error depends in particular on market conditions (volatility and correlations between financial instruments) and may therefore differ from the expected tracking error.

Index provider	ICE Data Indices LLC
	The benchmark index is provided by ICE Data Indices LLC which, since Brexit, is an entity which is covered by the transitional provision in Article 51(5) of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.
	The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark 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.

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Counterparty risk
- Liquidity risk
- Risk associated with derivative financial instruments
- Sustainability risk
- ESG investment risk
- Equity risk
- Foreign exchange risk
- Volatility risk
- Emerging countries risk
- Risk of changes to the benchmark index by the index provider
- Risk related to external factors
- Hedging risk of the share classes

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.

5.2 Risk management

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

Investors' attention is drawn to the management style of this sub-fund which is partly invested in securities classified as speculative by the rating agencies and traded on markets whose operating conditions, in terms of transparency and liquidity, may differ considerably from the standards accepted on international stock markets or regulated markets. Consequently, the product is targeted at investors with sufficient experience to be able to assess the merits and risks.

5.3 Liquidity management tools

- Gates
- Redemptions in kind
- Swing pricing

The general explanation of the various liquidity management tools is given in the section entitled Risk management in the Prospectus.

6. **Currency of valuation of the sub-fund:** EUR.

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

8. **Share classes**

- **Classique** Class capitalisation shares, denominated in EUR [LU0170291933]
- **Classique** Class distribution shares, denominated in EUR [LU0170293392]
- **Classique (q)** Class distribution shares, denominated in EUR [LU1269891567]
- **Classique-H** Class capitalisation shares, denominated in USD [LU2637814901]
- **Classique-H** Class distribution shares, denominated in USD [LU2910448088]
- **Classique(q)-H** Class distribution shares, denominated in USD [LU2947106550]

- **I** Class capitalisation shares, denominated in EUR [LU0170293806]
- **I** Class distribution shares, denominated in EUR [LU2015352557]
- **I-H** Class capitalisation shares, denominated in USD [LU1599350359]

- **I2** Class capitalisation shares, denominated in EUR [LU2026170428]
- **I2-H** Class capitalisation shares, denominated in USD [LU2800012952]
- **I2(q)-H** Class distribution shares, denominated in CHF [LU3285523299]

- **N** Class capitalisation shares, denominated in EUR [LU0170293632]

- **R** Class capitalisation shares, denominated in EUR [LU1269891641]
- **R-H** Class capitalisation shares, denominated in CHF [LU2676800860]
- **R-H** Class capitalisation shares, denominated in USD [LU3285523455]
- **R(q)** Class distribution shares, denominated in EUR [LU1375973069]
- **R(q)-H** Class distribution shares, denominated in GBP [LU1375973143]
- **R(q)** Class distribution shares, denominated in GBP [LU1375973226]

- **R2** Class capitalisation shares, denominated in EUR [LU1410489964]
- **R2** Class distribution shares, denominated in EUR [LU1410490038]

- **S** Class capitalisation shares, denominated in EUR [LU1797525737]
- **S** Class capitalisation shares, denominated in USD [LU1184248240]
- **S-H** Class capitalisation shares, denominated in GBP [LU1582239536]
- **S-H** Class capitalisation shares, denominated in CHF [LU2676800944]
- **S-H** Class capitalisation shares, denominated in USD [LU2620728431]
- **S(q)-H** Class distribution shares, denominated in GBP [LU2910448161]
- **S(q)-H** Class distribution shares, denominated in USD [LU2910448245]
- **S(q)** Class distribution shares, denominated in EUR [LU2910448328]

- **V** Class capitalisation shares, denominated in EUR [LU0891839952]
- **V** Class distribution shares, denominated in EUR [LU2404725389]
- **V-H** Class capitalisation shares, denominated in CHF [LU2676801082]
- **V-H** Class capitalisation shares, denominated in USD [LU3121831617]

- **V2** Class capitalisation shares, denominated in EUR [LU1410490384]
- **V2-H** Class capitalisation shares, denominated in CHF [LU2676801165]
- **V2-H** Class capitalisation shares, denominated in USD [LU2800013091]
- **V2(q)-H** Class distribution shares, denominated in CHF [LU3285523372]

- **VB** Class capitalisation shares, denominated in EUR [LU2878944227]
- **VB** Class distribution shares, denominated in EUR [LU2878944490]

- **Z** Class capitalisation shares, denominated in EUR [LU0252968697]
- **Z** Class distribution shares, denominated in EUR [LU1410490111]

9. Minimum subscription

No minimum subscription is required for the different share classes except for the following classes:

- The minimum initial subscription for the **V and V2** Classes is EUR 20,000,000. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same Valuation Date.

- The minimum initial subscription for the **S** Class is EUR 25,000,000 or the equivalent of EUR 25,000,000 in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

10. Fees and charges

Classes	Fees and charges				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max 2.5%	0%	Max 2.5%	Max 1.20%	Max. 0.35%
I	0%	0%	0%	Max 0.60%	Max 0.28%
I2	0%	0%	0%	Max 0.80%	Max 0.28%
N	0%	0%	0%	Max 1.60%	Max. 0.35%
R	Max 2.5%	0%	0%	Max 0.70%	Max. 0.35%
R2	Max 2.5%	0%	Max 2.5%	Max. 0.30%	Max. 0.35%
S	0%	0%	0%	Max. 0.40%	Max 0.28%
V	0%	0%	0%	Max 0.40%	Max 0.28%
V2	0%	0%	0%	Max 0.60%	Max 0.28%
VB	0%	0%	0%	Max. 0.30%	Max. 0.35%
Z	0%	0%	0%	0%	Max 0.28%

Outperformance fee

For each share class in the table below, the Management Company may be entitled to an outperformance fee calculated according to the "5Y Clawback" methodology defined in the section entitled *Costs and charges, Outperformance fees* in the Prospectus and based on the outperformance of the NAV in relation to the reference indicator ("benchmark") as defined in the table below.

Class	Currency	ISIN	Provisioning rate	Benchmark	Methodology
I	EUR	LU0170293806	20%	ICE BofA BB-B Global High Yield Non-Financial Constrained Index EUR Hedged (Total Return)	5Y Clawback
I	EUR	LU2015352557			
V	EUR	LU0891839952			
V	EUR	LU2404725389			
V-H	CHF	LU2676801082		ICE BofA BB-B Global High Yield Non-Financial Constrained Index CHF Hedged (Total Return)	
I-H	USD	LU1599350359		ICE BofA BB-B Global High Yield Non-Financial Constrained Index USD Hedged (Total Return)	
V-H	USD	LU3121831617			

11. Frequency of net asset value calculation: Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

This Fact Sheet forms an integral part of the Prospectus dated 14 September 2026.

Candriam Bonds Global Inflation Short Duration
Fact Sheet

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 objective of the sub-fund is to use discretionary management to benefit from the performance of the market in inflation-indexed bonds with a maturity of less than 5 years, and to outperform the benchmark.

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's assets are principally invested in inflation-indexed debt securities (bonds and other equivalent securities), which can notably be fixed or variable rate, with a maturity of less than 5 years.

These securities are issued or guaranteed by governments, international and supranational organisations, public sector entities and semi-public issuers and/or private sector issuers in developed and/or emerging countries.
The assets are denominated in all currencies of both developed and emerging countries.

The remainder of the assets may be invested in transferable securities or money-market instruments other than those described above, or in cash.

The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

The sub-fund may make use of derivative financial instruments on the regulated and/or over-the-counter markets (notably swaps, forwards, options or futures) for the purpose of exposure, hedging and/or arbitrage. In so doing, exposure to derivative financial instruments can be high. For example the asset manager may make extensive use of these instruments in order to actively manage the duration of the portfolio and to take currency exposures on the basis of market predictions.

The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility.

Investors are warned that derivatives are more volatile than the underlying assets.

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

The analysis of countries' greenhouse gas emissions is taken into account, seeking a carbon intensity 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 is applied to at least 90% of the sub-fund's investments, apart from deposits, cash and index derivatives.

The sub-fund also seeks to exclude certain companies as described in the SFDR Annex.
Under certain conditions, the analysis and selection process may also be accompanied by active involvement based on dialogue with the companies.

For more information about the ESG criteria, please see the transparency code which is available via the following link:
https://www.candriam.com/documents/candriam/article_205/en/document.pdf

3. Efficient portfolio management techniques

The sub-fund will use securities lending transactions in a proportion which may vary between 25% and 50% of the net assets of the portfolio, and which may reach a maximum of 75% of the net assets of the portfolio, under certain market conditions.
In any case, these operations will only be carried out if market conditions allow income to be generated for the sub-fund.

The sub-fund will use reverse repurchase agreements in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may reach a maximum of 50% of the net assets of the portfolio, under certain market conditions.
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 will 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. 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	Bloomberg World Govt Inflation-Linked 1-5Yrs Index EUR Hedged (Total Return)
Index definition	The index measures the performance of investment grade inflation-indexed government issued by various developed countries between 1 and 5 years.
Use of the index	▪ As an investment universe. In general, the issuers contained in the sub-fund portfolio are mostly contained in the index. However, investments outside the index are permitted, ▪ In determining risk levels / risk parameters, ▪ To compare performance.
Divergence of portfolio composition from the index	As the sub-fund is managed actively, it does not aim to invest in each component of the index nor to invest in the same proportions as the components of the index. In normal market conditions, the expected tracking error of the sub-fund will be limited to moderate, namely between 0.4% and 1.5%. This measure is an estimation of the divergence of the sub-fund's performance compared to the performance of the benchmark. The greater the tracking error, the greater the deviations from the index. The actual tracking error depends in particular on market conditions (volatility and correlations between financial instruments) and may therefore differ from the expected tracking error.

Index provider	Bloomberg Index Services Limited
	The benchmark index is provided by Bloomberg Index Services Limited which, since Brexit, is an entity which is covered by the transitional provision in Article 51(5) of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.
	The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark 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.

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Foreign exchange risk
- Risk associated with derivative financial instruments
- Counterparty risk
- Liquidity risk
- Emerging countries risk
- Sustainability risk
- ESG investment risk
- Concentration risk
- Risk of changes to the benchmark index by the index provider
- Risk related to external factors

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.

5.2 Risk management

The total exposure is calculated using the relative VaR approach as described in the section entitled "*Risk management*".
The Bloomberg World Govt Inflation-Linked 1-5Yrs Index Hedged EUR is used as the benchmark for the VaR.

As an indication, the leverage of this sub-fund is a maximum of 350% of net assets. The sub-fund could, however, be exposed temporarily to a higher leverage.

The leverage is calculated for each derivative instrument according to the notional value method and is added to the securities portfolio of the sub-fund.

5.3 Liquidity management tools

- Gates
- Redemptions in kind
- Swing pricing

The general explanation of the various liquidity management tools is given in the section entitled Risk management in the Prospectus.

6. Currency of valuation of the sub-fund: EUR.

7. Form of the shares: registered shares only.

8. Share classes

- **Classique** Class capitalisation shares [LU0165520114]
- **Classique** Class distribution shares [LU0165520973]

- **I** Class capitalisation shares [LU0165522086]
- **I** Class distribution shares [LU1258427712]

- **R** Class capitalisation shares [LU0942153825]

- **R2** Class capitalisation shares [LU1410488990]
- **R2** Class distribution shares [LU1410489022]

- **VB** Class capitalisation shares [LU2878942015]
- **VB** Class distribution shares [LU2878942106]

- **Z** Class capitalisation shares [LU0252962658]
- **Z** Class distribution shares [LU1410488727]

- **ZB** Class capitalisation shares [LU3168153594]

9. Minimum subscription

No minimum subscription is required for the different classes except for the **V** Class, for which the minimum initial subscription is EUR 20,000,000 (this minimum may be changed at the discretion of the Board of Directors provided that equal treatment of shareholders is ensured on the same Valuation Date).

10. Fees and charges

Classes	**Fees and charges**				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max 2.5%	0%	Max 2.5%	Max 0.6%	Max 0.33%
I	0%	0%	0%	Max 0.3%	Max 0.25%
R	Max 2.5%	0%	0%	Max 0.40%	Max 0.33%
R2	Max 2.5%	0%	Max 2.5%	Max 0.15%	Max 0.33%
VB	0%	0%	0%	Max 0.15%	Max 0.33%
Z	0%	0%	0%	0%	Max 0.25%
ZB	0%	0%	0%	0%	Max 0.25%

11. Frequency of net asset value calculation: Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

This Fact Sheet forms an integral part of the Prospectus dated 14 September 2026

Candriam Bonds International
Fact Sheet

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 objective of the sub-fund is to use discretionary management to benefit from the performance of the market in bonds issued by highly rated public or private sector issuers of all types, and to outperform the benchmark.

This sub-fund may be appropriate for investors of any type who wish to achieve this objective over a medium 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 assets of this sub-fund will be invested principally in debt securities (bonds and other equivalent securities) which may notably be at fixed or variable rates, indexed, subordinated or backed by assets. These securities are issued by private sector issuers, issued or guaranteed by governments, international and supranational organisations, public entities and semi-public issuers. These issuers will be highly rated (rated at least BBB-/Baa3 by one of the rating agencies or considered to be of equivalent quality by the Management Company).

The remainder of the assets may be invested in transferable securities (in particular high yield bonds up to 20% of net assets, convertible bonds, contingent convertible bonds (CoCos) up to 5% of net assets) or money market instruments other than those described above, or in cash.

The assets are denominated in different currencies, of developed and emerging countries.

The sub-fund may also make use of derivative financial instruments on the regulated and/or over-the-counter markets for the purpose of hedging, exposure and/or arbitrage.
The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility spreads such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps), forwards, options and futures.
For example the sub-fund may also make use of interest rate, credit or foreign currency transactions for the purpose of hedging, exposure and/or arbitrage.
Total return swaps may relate to a maximum of 25% of the net assets of the sub-fund. The proportion is normally expected to vary between 0% and 20%.

The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

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

The analysis of private sector issuers' greenhouse gas emissions is taken into account, seeking a carbon footprint for the sub-fund which is below that of its benchmark. This analysis of private sector issuers is applied to at least 90% of the sub-fund's investments, apart from deposits, cash and index derivatives.

The analysis of ESG criteria is also embedded in the financial management of the portfolio.

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

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

For more information about the ESG criteria, please see the transparency code which is available via the following link:
https://www.candriam.com/documents/candriam/article_205/en/document.pdf

3. Efficient portfolio management techniques

The sub-fund will use securities lending transactions in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may reach a maximum of 50% of the net assets of the portfolio, under certain market conditions.
In any case, these operations will only be carried out if market conditions allow income to be generated for the sub-fund.

The sub-fund will use reverse repurchase agreements in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may reach a maximum of 50% of the net assets of the portfolio, under certain market conditions.
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 will 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. 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	Bloomberg Global Aggregate Index EUR Hedged (Total Return)
Index definition	The benchmark measures the performance of investment grade multi-currency bonds in the global fixed income securities markets.
Use of the index	▪ As an investment universe. In general, the issuers contained in the sub-fund portfolio are mostly contained in the index. However, investments outside the index are permitted, ▪ In determining risk levels / risk parameters, ▪ To compare performance, ▪ To calculate the outperformance fee for some share classes. For share classes in currencies other than the currency of the sub-fund, another corresponding index may be used in order to calculate performance fees as applicable (see "Outperformance fee" below)
Divergence of portfolio composition from the index	As the sub-fund is managed actively, it does not aim to invest in each component of the index nor to invest in the same proportions as the components of the index. In normal market conditions, the expected tracking error of the sub-fund will be limited to moderate, namely between 0.4% and 1.5%. This measure is an estimation of the divergence of the sub-fund's performance compared to the performance of the benchmark. The greater the tracking error, the greater the deviations from the index. The actual tracking error depends in particular on market conditions (volatility and correlations between financial instruments) and may therefore differ from the expected tracking error.

Bloomberg Index Services Limited	Bloomberg Index Services Limited
	The benchmark index is provided by Bloomberg Index Services Limited which, since Brexit, is an entity which is covered by the transitional provision in Article 51(5) of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.
	The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark 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.

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Foreign exchange risk
- Counterparty risk
- Liquidity risk
- Risk associated with derivative financial instruments
- Emerging countries risk
- Sustainability risk
- ESG investment risk
- Equity risk
- Risk associated with investing in CoCos
- Risk associated with Chinese debt (via Bond Connect)
- Risk of changes to the benchmark index by the index provider
- Risk related to external factors

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.

5.2 Risk management

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

5.3 Liquidity management tools

- Gates
- Redemptions in kind
- Swing pricing

The general explanation of the various liquidity management tools is given in the section entitled Risk management in the Prospectus.

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

7. Form of the shares: registered shares only.

8. Share classes

- **Classique** Class capitalisation shares, denominated in EUR [LU0012119433]
- **Classique** Class distribution shares, denominated in EUR [LU0012119516]

- **I** Class capitalisation shares, denominated in EUR [LU0144746335]
- **I** Class distribution shares, denominated in EUR [LU1258428876]
- **I** Class capitalisation shares, denominated in USD [LU0391256681]

- **I2** Class capitalisation shares, denominated in EUR [LU2739045149]

- **R** Class capitalisation shares, denominated in EUR [LU1269891724]
- **R2** Class capitalisation shares, denominated in EUR [LU1410491358]
- **R2** Class distribution shares, denominated in EUR [LU1410491432]

- **VB** Class capitalisation shares, denominated in EUR [LU2878945380]
- **VB** Class distribution shares, denominated in EUR [LU2878943419]

- **Z** Class capitalisation shares, denominated in EUR [LU0252972020]
- **Z** Class distribution shares, denominated in EUR [LU1410491515]

9. Minimum subscription

No minimum subscription is required for the different classes of shares.

10. Fees and charges

Classes	Fees and charges				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max 2.5%	0%	Max 2.5%	Max 0.75%	Max 0.29%
I	0%	0%	0%	Max. 0.30%	Max 0.23%
I2	0%	0%	0%	Max 0.50%	Max 0.23%
R	Max 2.5%	0%	0%	Max 0.40%	Max 0.29%
R2	Max 2.5%	0%	Max 2.5%	Max 0.19%	Max 0.29%
VB	0%	0%	0%	Max 0.19%	Max 0.29%
Z	0%	0%	0%	0%	Max 0.23%

Outperformance fee

For each share class in the table below, the Management Company may be entitled to an outperformance fee calculated according to the "5Y Clawback" methodology defined in the section entitled *Costs and charges, Outperformance fees* in the Prospectus and based on the outperformance of the NAV in relation to the reference indicator ("benchmark") as defined in the table below.

Class	Currency	ISIN	Provisioning rate	Benchmark	Methodology
I	EUR	LU0144746335	20%	Bloomberg Global Aggregate Index EUR Hedged (Total Return)	5Y Clawback
I	EUR	LU1258428876			
I	USD	LU0391256681		Bloomberg Global Aggregate Index (Total Return) USD	

11. Frequency of net asset value calculation: Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

This Fact Sheet forms an integral part of the Prospectus dated 14 September 2026

Candriam Bonds US Corporate
Fact Sheet

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 objective of the sub-fund is to use discretionary management to benefit from the performance of the market in bonds denominated in USD and issued primarily by highly rated private sector US issuers, and to outperform the benchmark.
This sub-fund may be appropriate for investors of any type who wish to achieve this objective over a medium 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 assets of this sub-fund are invested principally in debt securities (bonds and other equivalent securities – including subordinated bonds up to a maximum of 20% of net assets) denominated in USD, which may notably be at fixed or variable rates, indexed, subordinated or backed by assets.

These securities are mainly issued by highly rated private sector issuers (rated at least BBB-/Baa3 by one of the rating agencies or considered to be of equivalent quality by the Management Company).

The remainder of the assets may be invested in:

- Eligible securities other than those described above (specifically high yield bonds up to a maximum of 15% of net assets, contingent convertible bonds (CoCos) up to a maximum of 5% of net assets, securities issued by active issuers in emerging countries up to a maximum of 10% of net assets, etc.),
- Money market instruments other than those described above,
- UCIs and UCITS (maximum 10%),
- Deposits or cash.

Exposures to currencies other than the USD (in particular EUR and GBP) will be hedged against foreign exchange risk. As the risks cannot be fully hedged at all times, a marginal residual foreign exchange risk may remain.
The sub-fund may also make use of derivative financial instruments on the regulated or over-the-counter markets for the purpose of hedging, exposure and/or arbitrage.
The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility spreads such as swaps (currency exchange swaps,
interest rate swaps, credit default swaps, inflation swaps), forwards, options and futures.
For example, the sub-fund may also make use of interest rate and credit transactions for the purpose of hedging, exposure and/or arbitrage.
Total return swaps may relate to a maximum of 25% of the net assets of the sub-fund. The proportion is normally expected to vary between 0% and 25%.

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

The analysis of private sector issuers' greenhouse gas emissions is taken into account, seeking a carbon footprint for the sub-fund which is below that of its benchmark. This analysis of private sector issuers is applied to at least 90% of the sub-fund's investments, apart from deposits, cash and index derivatives.

The analysis of ESG criteria is also embedded in the financial management of the portfolio.

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

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

For more information about the ESG criteria, please see the transparency code which is available via the following link:

https://www.candriam.com/documents/candriam/article_205/en/document.pdf

3. Efficient portfolio management techniques

The sub-fund will use securities lending transactions in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may reach a maximum of 50% of the net assets of the portfolio, under certain market conditions.
In any case, these operations will only be carried out if market conditions allow income to be generated for the sub-fund.

4. 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	Bloomberg U.S. Corporate Investment Grade (Total Return)
Index definition	The index measures the performance of investment grade corporate bonds denominated in USD.
Use of the index	▪ As an investment universe. In general, the issuers contained in the sub-fund portfolio are mostly contained in the index. However, investments outside the index are permitted, ▪ In determining risk levels / risk parameters, ▪ To compare performance, ▪ To calculate the outperformance fee for some share classes.
Divergence of portfolio composition from the index	As the sub-fund is managed actively, it does not aim to invest in each component of the index nor to invest in the same proportions as the components of the index. In normal market conditions, the expected tracking error of the sub-fund will be moderate to large, namely between 1% and 3%. This measure is an estimation of the divergence of the sub-fund's performance compared to the performance of the benchmark. The greater the tracking error, the greater the deviations from the index. The actual tracking error depends in particular on market conditions (volatility and correlations between financial instruments) and may therefore differ from the expected tracking error.
Index provider	Bloomberg Index Services Limited
	The benchmark index is provided by Bloomberg Index Services Limited which, since Brexit, is an entity which is covered by the transitional provision in Article 51(5) of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.
	The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark 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.

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Liquidity risk
- Risk associated with derivative financial instruments
- Counterparty risk
- Sustainability risk
- ESG investment risk
- Equity risk
- Risk associated with investing in CoCos
- Emerging countries risk
- Risk of changes to the benchmark index by the index provider
- Risk related to external factors

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.

5.2 Risk management

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

5.3 Liquidity management tools

- Gates
- Redemptions in kind
- Swing pricing

The general explanation of the various liquidity management tools is given in the section entitled Risk management in the Prospectus.

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

7. Form of the shares: registered shares only.

8. Share classes

- **Classique** Class capitalisation shares, denominated in USD [LU2885262225]
- **Classique** Class distribution shares, denominated in USD [LU2885266994]
- **Classique** Class capitalisation shares, denominated in EUR [LU2885266648]
- **Classique** Class distribution shares, denominated in EUR [LU2885266481]

- **I** Class capitalisation shares, denominated in USD [LU2885266309]
- **I** Class distribution shares, denominated in USD [LU2885266135]
- **I** Class capitalisation shares, denominated in EUR [LU2885265913]
- **I** Class distribution shares, denominated in EUR [LU2885265756]

- **I2** Class capitalisation shares, denominated in USD [LU2885265327]
- **I2** Class capitalisation shares, denominated in EUR [LU2885265244]
- **I2-H** Class capitalisation shares, denominated in EUR [LU2966365418]
- **I2** Class distribution shares, denominated in EUR [LU2885265087]

- **R** Class capitalisation shares, denominated in USD [LU2885264783]

- **R2** Class capitalisation shares, denominated in USD [LU2885264437]
- **R2** Class distribution shares, denominated in USD [LU2885264270]
- **R2** Class capitalisation shares, denominated in EUR [LU2885264197]
- **R2** Class distribution shares, denominated in EUR [LU2885263629]

- **V** Class capitalisation shares, denominated in USD [LU2885263546]

- **VB** Class capitalisation shares, denominated in USD [LU2885263389]
- **VB** Class distribution shares, denominated in USD [LU2885263033]
- **VB** Class capitalisation shares, denominated in EUR [LU2885262902]
- **VB** Class distribution shares, denominated in EUR [LU2885262738]

- **Z** Class capitalisation shares, denominated in USD [LU2885262498]
- **Z** Class distribution shares, denominated in USD [LU2885267299]
- **Z** Class capitalisation shares, denominated in EUR [LU2885267539]

9. Minimum subscription

No minimum subscription is required for the different classes, except for the **V** Class, for which the minimum initial subscription is the equivalent in USD of EUR 20,000,000 (this minimum may be changed at the discretion of the Board of Directors provided that equal treatment of shareholders is ensured on the same Valuation Date).

10. Fees and charges

Classes	**Fees and charges**				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max 2.5%	0%	Max 2.5%	Max 0.75%	Max 0.29%
I	0%	0%	0%	Max. 0.30%	Max 0.23%
I2	0%	0%	0%	Max 0.50%	Max 0.23%
R	Max 2.5%	0%	0%	Max 0.40%	Max 0.29%
R2	Max 2.5%	0%	Max 2.5%	Max 0.19%	Max 0.29%
V	0%	0%	0%	Max. 0.30%	Max 0.23%
VB	0%	0%	0%	Max 0.19%	Max 0.23%
Z	0%	0%	0%	0%	Max 0.23%

Outperformance fee

For each share class in the table below, the Management Company may be entitled to an outperformance fee calculated according to the "5Y Clawback" methodology defined in the section entitled *Costs and charges, Outperformance fees* in the Prospectus and based on the outperformance of the NAV in relation to the reference indicator ("benchmark") as defined in the table below.

Class	Currency	ISIN	Provisioning rate	Benchmark	Methodology
I	USD	LU2885266309	20%	Bloomberg U.S. Corporate Investment Grade (Total Return)	5Y Clawback
I	USD	LU2885266135			
V	USD	LU2885263546			
I	EUR	LU2885265913		Bloomberg U.S. Corporate Investment Grade (Total Return) EUR	
I	EUR	LU2885265756			

11. **Frequency of net asset value calculation**: Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

This Fact Sheet forms an integral part of the Prospectus dated 14 September 2026

Annex II – SFDR Annexes

- Candriam Bonds Capital Securities
- Candriam Bonds Convertible Defensive
- Candriam Bonds Credit Alpha
- Candriam Bonds Credit Opportunities
- Candriam Bonds Emerging Debt Local Currencies
- Candriam Bonds Emerging Markets
- Candriam Bonds Emerging Markets Corporate
- Candriam Bonds Euro
- Candriam Bonds Euro Corporate
- Candriam Bonds Euro Corporate 2036
- Candriam Bonds Euro Diversified
- Candriam Bonds Euro Government
- Candriam Bonds Euro High Yield
- Candriam Bonds Euro Short Term
- Candriam Bonds Floating Rate Notes
- Candriam Bonds Global Alpha
- Candriam Bonds Global Government
- Candriam Bonds Global High Yield
- Candriam Bonds Global Inflation Short Duration
- Candriam Bonds International
- Candriam Bonds US Corporate

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

Candriam Bonds - Capital Securities

Legal entity identifier

549300Q263ZGFTP1GV28

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
	☒ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective** _%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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.

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 the most 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,

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 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:

  - ESG score: the Sub-fund seeks to achieve an ESG score greater than that of its benchmark,

  - 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 (Candriam's "Red list"),

  - 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 exploration, 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 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 recognized international standards such as the UN Guiding Principles, Voluntary Principles on Security and Human Rights and the OECD Guidelines.

- ***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 have a positive environmental and social impact in the long term.

  The sustainable investments held in the sub-fund do not systematically take account of one of more environmental objectives. Nevertheless, having undergone Candriam's proprietary ESG analysis and filtering, such sustainable investments 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. 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.

3. 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/or the exercise of voting rights. Candriam prioritises engagement and/or 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/or 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 and standards-based exclusions, which are based on an analysis of companies' compliance with international standards, Candriam takes account of:

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

• 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).

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 objective of the sub-fund is to use discretionary management to benefit from the performance of the market in subordinated bonds issued by companies in the OECD countries, and to outperform the benchmark.

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

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 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.

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 objectives 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 scope of the investments considered 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.

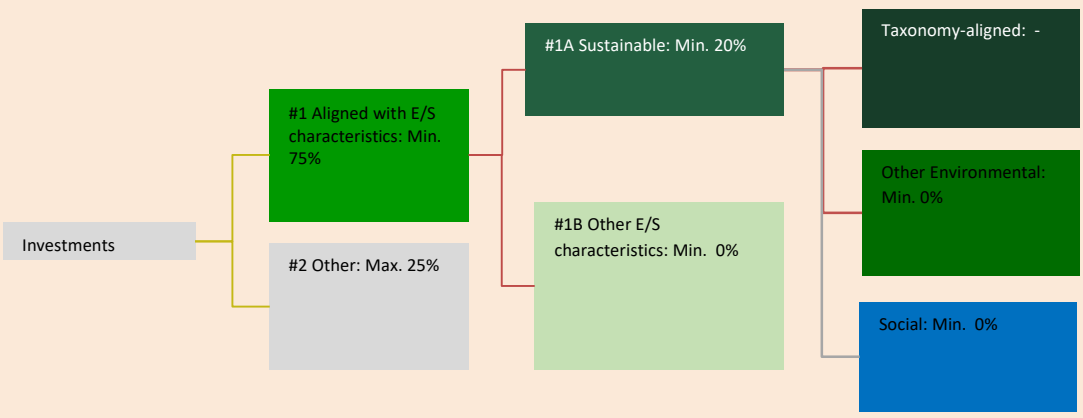
The sub-fund seeks to invest at least 75% of its total net assets in investments which have environmental and social characteristics, of which a minimum of 20% of its total net assets will consist of sustainable investments. A maximum of 25% of the total net assets of the sub-fund may be allocated to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

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.

For more detail about Candriam's ESG analysis, please see its website.

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.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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 ?[1]

☐ Yes

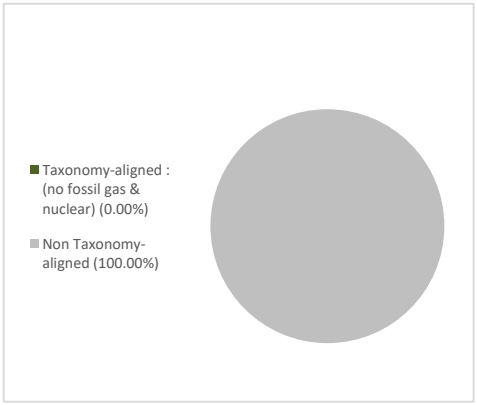
☐ In fossil gas ☐ In nuclear energy

☒ No

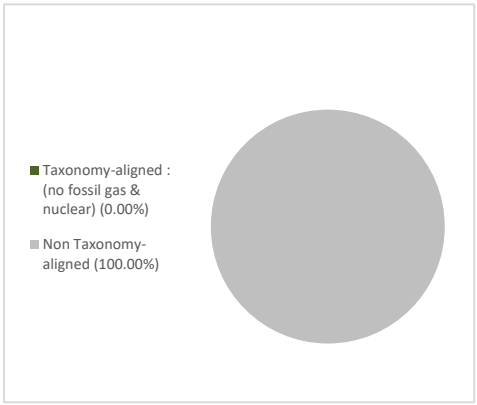
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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?

No specific index has been designated as a benchmark in order to evaluate alignment with E/S characteristics.

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?***

  N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  N/A

- ***How does the designated index differ from a relevant broad market index?***

  N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

  N/A

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/

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

Candriam Bonds - Convertible Defensive

Legal entity identifier

5493004Y1LV728KDDU44

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**: _%
  - ☐ 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** _%
- ☒ 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
  - ☐ 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**

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.

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 the most 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 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 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. This threshold is defined as a function of the investment universe and may be reviewed if the investment universe changes,

  - steps to ensure that there are no investments in issuers in serious breach of the normative principles, taking account of their practices with regard to environmental and social issues and of the UN Global Compact and the OECD Guidelines for Multinational Enterprises (Candriam's "Red list"),

  - 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 exploration, 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 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 recognized international standards such as the UN Guiding Principles, Voluntary Principles on Security and Human Rights and the OECD Guidelines.

- ***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 exclusive 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. 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.

3. 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/or the exercise of voting rights. Candriam prioritises engagement and/or 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/or 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 and standards-based exclusions, which are based on an analysis of companies' compliance with international standards, Candriam takes account of:

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

• 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).

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 objective of the sub-fund is to use discretionary management to benefit from a positive performance of the market in convertible bonds with a maturity of less than 5 years, and to outperform the benchmark.

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

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 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.

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 objectives 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 scope of the investments considered 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.

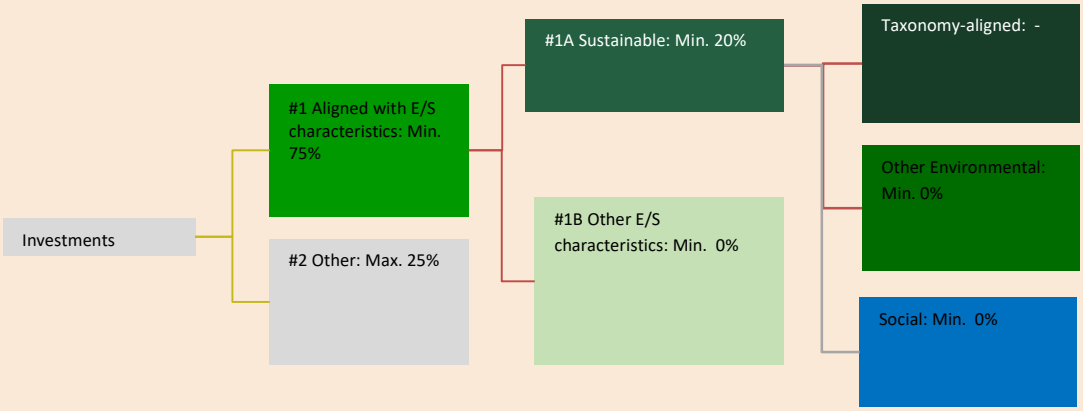
The sub-fund seeks to invest at least 75% of its total net assets in investments which have environmental and social characteristics, of which a minimum of 20% of its total net assets will consist of sustainable investments. A maximum of 25% of the total net assets of the sub-fund may be allocated to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

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.

For more detail about Candriam's ESG analysis, please see its website.

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.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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 ?[1]

☐ Yes

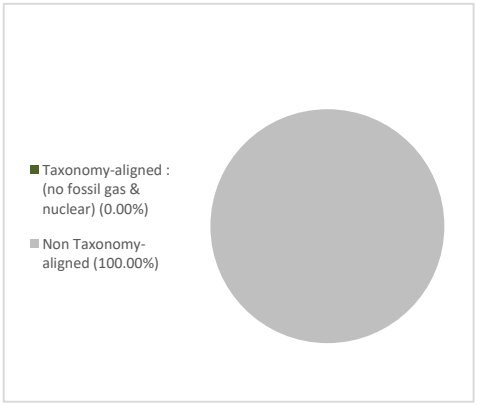
☐ In fossil gas ☐ In nuclear energy

☒ No

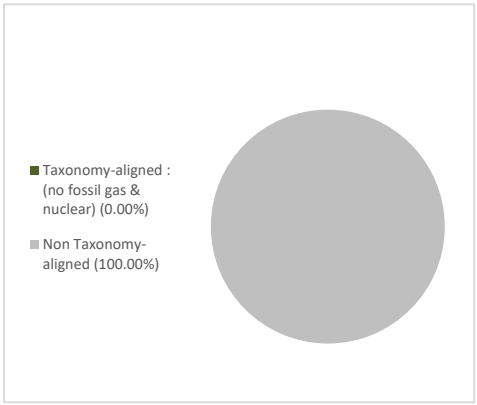
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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?

No specific index has been designated as a benchmark in order to evaluate alignment with E/S characteristics.

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?***

  N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  N/A

- ***How does the designated index differ from a relevant broad market index?***

  N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

  N/A

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/

CANDRIAM
A NEW YORK LIFE INVESTMENTS COMPANY

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

Candriam Bonds - Credit Alpha

Legal entity identifier

5493002ETTRC8KGJDV13

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**: _%

- ☐ 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** _%

☒ 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 10 % 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**

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.

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 the most 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 achieve a carbon footprint that is below 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 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 below an absolute threshold for private issuers,

- steps to ensure that there are no investments in issuers that present the most serious breaches of the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises,

- steps to ensure that there are no investments in issuers particularly exposed to the exploration, mining, transport or distribution of thermal coal,

- 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 production and distribution of tobacco.

- ***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 exclusive 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

- *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

investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti‑corruption and anti‑bribery matters.

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. 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.

3. 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/or the exercise of voting rights. Candriam prioritises engagement and/or 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/or 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 and standards-based exclusions, which are based on an analysis of companies' compliance with international standards, Candriam takes account of:

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

• 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).

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

The objective of the sub-fund is to use discretionary management to generate a performance better than that of the benchmark index with a volatility objective of less than 10% under normal market conditions However, the volatility may be higher, particularly under abnormal market conditions. The sub-fund seeks to benefit from investment opportunities buying and selling bonds and derivative products of private-sector issuers in developed countries.

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 exclusion policy comprising a normative filter as well as the exclusion of certain controversial activities as described in Candriam’s Level 1 Company-Wide Exclusions Policy. Candriam’s Level 1 Company-Wide Exclusions Policy is aimed at harmful activities that in Candriam’s opinion have a substantial negative impact and involve significant 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.

Consequently Candriam excludes activities linked to controversial weapons, tobacco and thermal coal from all the portfolios that it manages directly and encourages third parties to do likewise.

Candriam’s Level 1 Company-Wide 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 full list of activities excluded by virtue of Candriam’s Level 1 Company-Wide 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 1 Company-Wide Exclusions Policy”).

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

- the objectives 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.“Negative” (short-selling) exposure is authorised on these companies but not if they are exposed to controversial weapons subject to a legal exclusion.

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 scope of the investments considered 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.

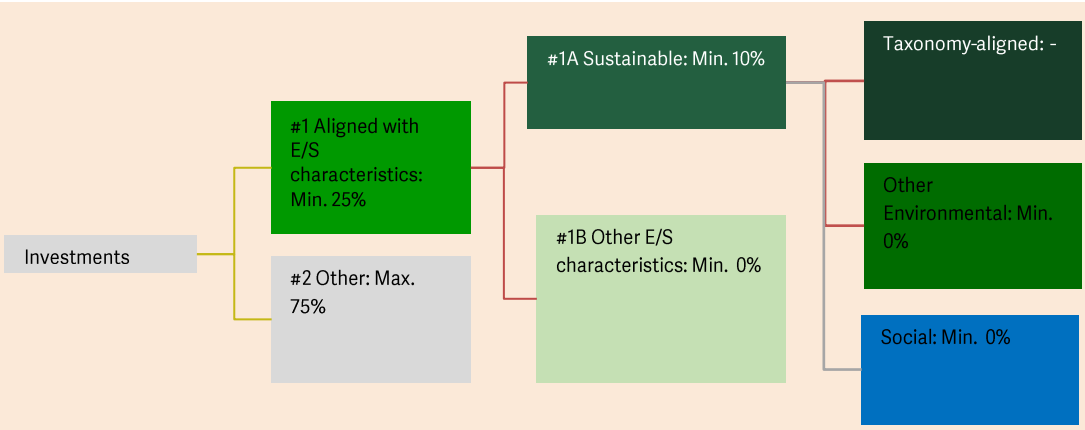
The sub-fund seeks to place at least 25% of its total new assets in investments which have environmental and social characteristics (this is not a high threshold due to the nature of the investment strategy, which may have a low or negative market exposure), of which a minimum of 10% of its total net assets will consist of sustainable investments A maximum of 75% of the total net assets of the sub-fund may be allocated to other assets as defined below.

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.

For more detail about Candriam's ESG analysis, please see its website.

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.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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 ?[1]

☐ Yes

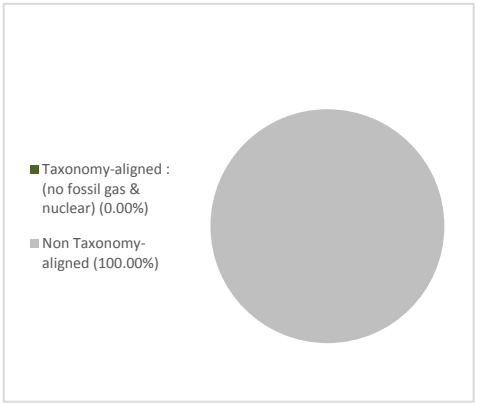
☐ In fossil gas ☐ In nuclear energy

☒ No

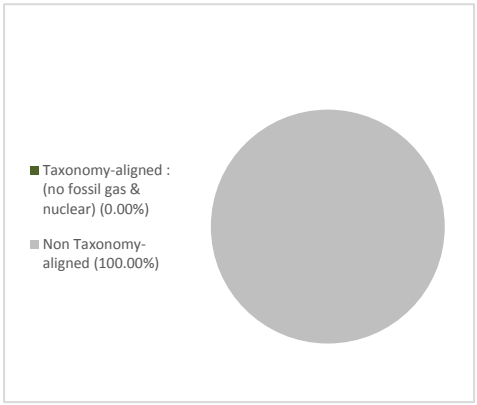
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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 75% 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?

No specific index has been designated as a benchmark in order to evaluate alignment with E/S characteristics.

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?***

  N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  N/A

- ***How does the designated index differ from a relevant broad market index?***

  N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

  N/A



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/

CANDRIAM
A NEW YORK LIFE INVESTMENTS COMPANY

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

Candriam Bonds - Credit Opportunities

Legal entity identifier

34DAB8EJW2P6VPYM3Q82

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**: _%
  - ☐ 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** _%
- ☒ 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 10 % 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**

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.

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 the most 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 achieve a carbon footprint that is below 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 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 below an absolute threshold for private issuers,

- steps to ensure that there are no investments in issuers that present the most serious breaches of the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises,

- steps to ensure that there are no investments in issuers particularly exposed to the exploration, mining, transport or distribution of thermal coal,

- 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 production and distribution of tobacco.

- ***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 exclusive 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

→ *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

investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti‑corruption and anti‑bribery matters.

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. 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.

3. 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/or the exercise of voting rights. Candriam prioritises engagement and/or 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/or 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 and standards-based exclusions, which are based on an analysis of companies' compliance with international standards, Candriam takes account of:

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

• 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).

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

The objective of the sub-fund is to use discretionary management to benefit from the performance of the market in bonds issued by private sector issuers with a high credit risk, located primarily in European Union and/or North American countries, and to outperform the benchmark.

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 exclusion policy comprising a normative filter as well as the exclusion of certain controversial activities as described in the Candriam Level 1 CTB-aligned Exclusions Policy. The Candriam Level 1 CTB-aligned Exclusions Policy is aimed at harmful activities that in Candriam’s opinion have a substantial negative impact and involve significant 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.

Consequently Candriam excludes activities linked to controversial weapons, tobacco and thermal coal from all the portfolios that it manages directly and encourages third parties to do likewise.

The Candriam Level 1 CTB-aligned 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 full list of activities excluded by virtue of the Candriam Level 1 CTB-aligned 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 1 CTB-aligned Exclusions Policy”).

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

- the objectives 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.“Negative” (short-selling) exposure is authorized on these companies but not if they are exposed to controversial weapons subject to a legal exclusion.

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 scope of the investments considered 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,

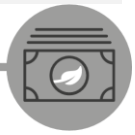
2. An audit committee and an evaluation of the independence of the auditors in order to avoid conflicts of interest,

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.

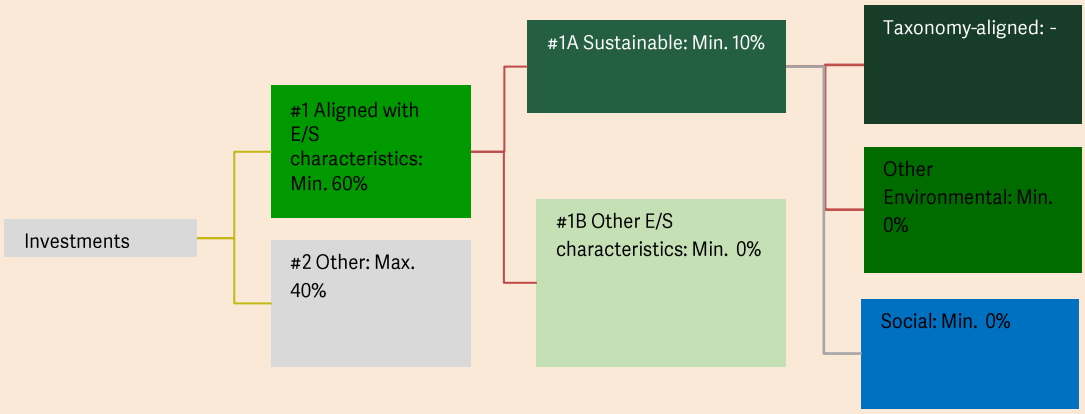
The sub-fund seeks to invest at least 60% of its total net assets in investments which have environmental and social characteristics, of which a minimum of 10% of its total net assets will consist of sustainable investments. A maximum of 40% of the total net assets of the sub-fund may be allocated to other assets as defined below.

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.

For more detail about Candriam's ESG analysis, please see its website.

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.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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 ?[1]

☐ Yes

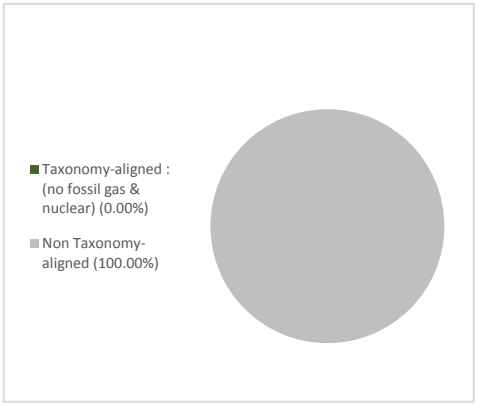
☐ In fossil gas ☐ In nuclear energy

☒ No

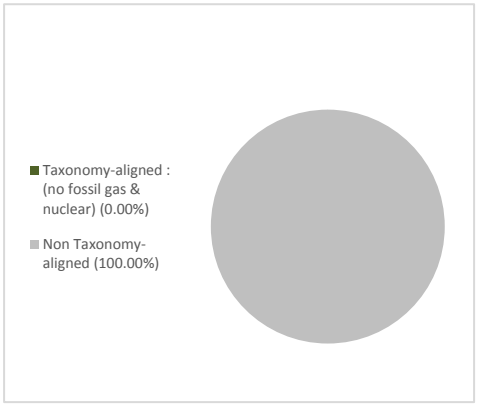
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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?

No specific index has been designated as a benchmark in order to evaluate alignment with E/S characteristics.

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?***

  N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  N/A

- ***How does the designated index differ from a relevant broad market index?***

  N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

  N/A



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/

CANDRIAM
BY NEW YORK LIFE INVESTMENT MANAGEMENT

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

Candriam Bonds - Emerging Debt Local Currencies

Legal entity identifier

5493008AUY35X5EQV165

Environmental and/or social characteristics

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.

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
	☒ with a social objective
☐ It will make a minimum of **sustainable investments 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 the most 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 intensity than the benchmark,

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 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:

  - Freedom House: the sub-fund seeks to achieve a higher Freedom House Index score than its benchmark,

  - the sub-fund seeks to achieve a carbon footprint for public issuers which is below its benchmark,

  - 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 (Candriam's "Red list"),

  - 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 exploration, 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 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 have a positive environmental and social impact in the long term.

The sustainable investments held in the sub-fund do not systematically take account of one of more environmental objectives. Nevertheless, having undergone Candriam's proprietary ESG analysis and filtering, such sustainable investments 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/or the exercise of voting rights. Candriam prioritises engagement and/or 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/or 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 and standards-based exclusions, which are based on an analysis of companies' compliance with international standards, Candriam takes account of:

• 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.

• 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 investment strategy guides investment decisions based on factors such as investment objectives and

The objective of the sub-fund is to use discretionary management to benefit from the performance of the market in bonds of emerging countries mainly denominated in the local currencies, and to outperform the benchmark.

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

risk tolerance.

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 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.

  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 objectives 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 an exclusion filter for sovereign issuers of regimes considered oppressive. There is no committed minimum rate to reduce the scope of the investments considered 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 as defined below.

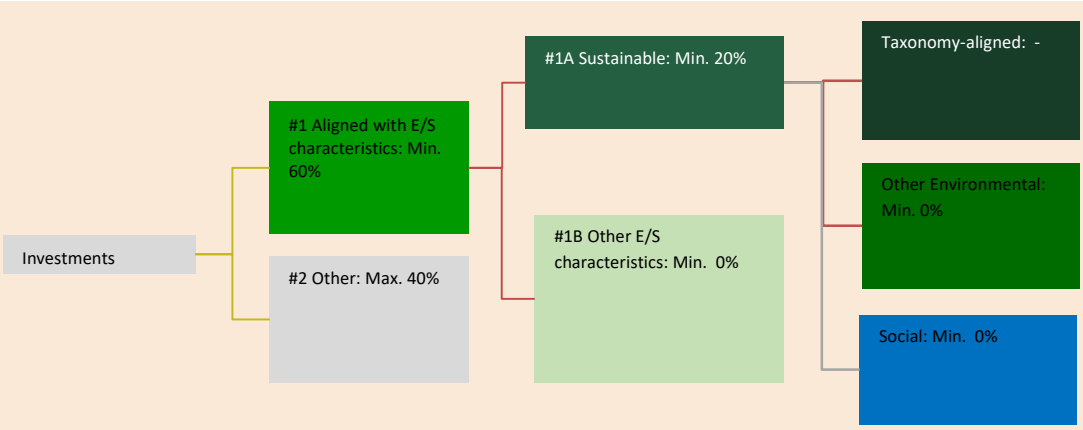
The percentage of sustainable investments may go up or down over time depending on the regulatory technical standards concerning the treatment of sovereign debt.

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.

For more detail about Candriam's ESG analysis, please see its website.

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.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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 ?[1]

☐ Yes

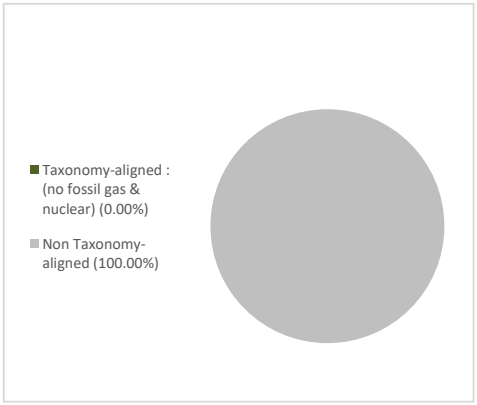
☐ In fossil gas ☐ In nuclear energy

☒ No

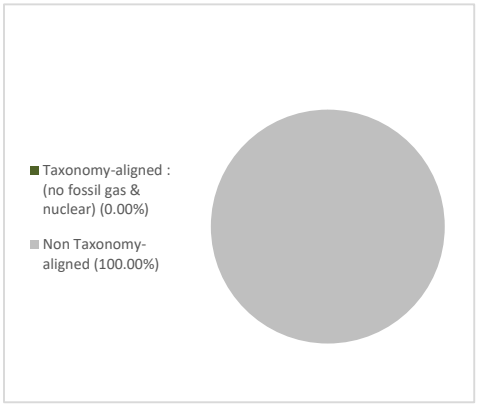
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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?

No specific index has been designated as a benchmark in order to evaluate alignment with E/S characteristics.

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?***

  N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  N/A

- ***How does the designated index differ from a relevant broad market index?***

  N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

  N/A



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/

CANDRIAM
A NEW YORK LIFE INVESTMENTS COMPANY

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

Candriam Bonds - Emerging Markets

Legal entity identifier

549300J2KBILFHRR8Q65

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**: _%
  - ☐ 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** _%
- ☒ 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
  - ☐ 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**

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.

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 the most 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 avoid exposure to countries considered to be oppressive regimes,

- by seeking to achieve a lower carbon intensity than the benchmark,

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 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:

  - Freedom House: the sub-fund seeks to achieve a higher Freedom House Index score than its benchmark,

  - the sub-fund seeks to achieve a lower carbon intensity than the benchmark for public issuers,

  - steps to ensure that there are no investments in issuers presenting the most serious breaches of the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprise,

  - steps to ensure that there are no investments in issuers particularly exposed to the exploration, mining, transport or distribution of thermal coal,

  - 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 production and distribution of tobacco,

  - steps to ensure that there are no investments 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 have a positive environmental and social impact in the long term.

  The sustainable investments held in the sub-fund do not systematically take account of one of more environmental objectives. Nevertheless, having undergone Candriam's proprietary ESG analysis and filtering, such sustainable investments 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.

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• 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).

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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/or the exercise of voting rights. Candriam prioritises engagement and/or 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.

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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 and standards-based exclusions, which are based on an analysis of companies' compliance with international standards, Candriam takes account of:

• 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.

• 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 objective of the sub-fund is to use discretionary management to benefit from the performance of the market in bonds of emerging countries mainly denominated in the currencies of developed countries, and to outperform the benchmark.

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

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 exclusion policy applicable to sovereign issuers of regimes considered to be oppressive (for sovereign issuers), a normative filter as well as the exclusion of certain controversial activities (for corporate issuers) as described in the Candriam Level 1 CTB-aligned Exclusions Policy. The Candriam Level 1 CTB-aligned Exclusions Policy is aimed at harmful activities that in Candriam's opinion have a substantial negative impact and involve significant 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.

Consequently Candriam excludes activities linked to controversial weapons, tobacco and

thermal coal from all the portfolios that it manages directly and encourages third parties to do likewise.

The Candriam Level 1 CTB-aligned 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 full list of activities excluded by virtue of the Candriam Level 1 CTB-aligned 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 1 CTB-aligned Exclusions Policy”).

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

- the objectives 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 an exclusion filter for sovereign issuers of regimes considered oppressive. There is no committed minimum rate to reduce the scope of the investments considered 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 as defined below.

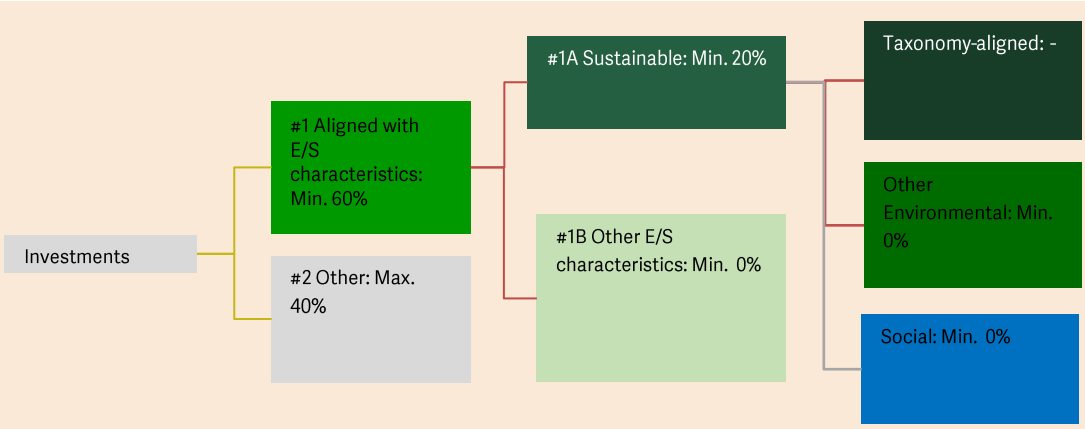
The percentage of sustainable investments may go up or down over time depending on the regulatory technical standards concerning the treatment of sovereign debt.

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.

For more detail about Candriam's ESG analysis, please see its website.

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.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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 ?[1]

☐ Yes

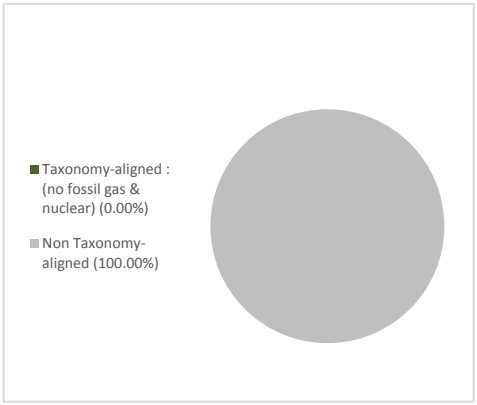
☐ In fossil gas ☐ In nuclear energy

☒ No

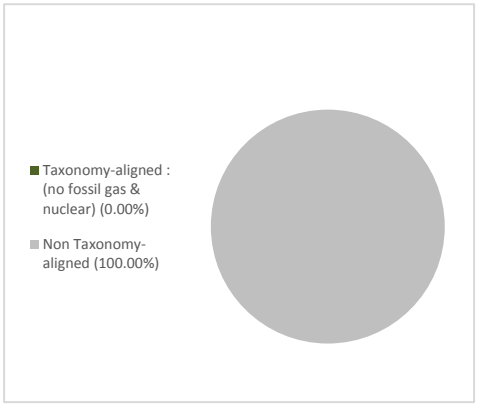
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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?

No specific index has been designated as a benchmark in order to evaluate alignment with E/S characteristics.

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?***

  N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  N/A

- ***How does the designated index differ from a relevant broad market index?***

  N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

  N/A



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/

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

Candriam Bonds - Emerging Markets Corporate

Legal entity identifier

549300I804B5U68U2E40

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
	☒ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective** _%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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.

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 the most 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 achieve a lower carbon footprint than the benchmark.

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 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 its benchmark,

  - 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 (Candriam's "Red list"),

  - 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 exploration, 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 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.

- ***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 exclusive 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. 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.

3. 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/or the exercise of voting rights. Candriam prioritises engagement and/or 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/or 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 and standards-based exclusions, which are based on an analysis of companies' compliance with international standards, Candriam takes account of:

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

• 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).

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 objective of the sub-fund is to use discretionary management to benefit from the performance of the market in bonds of emerging countries mainly denominated in the currencies of developed countries, and to outperform the benchmark.

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

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 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.

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 objectives 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 scope of the investments considered 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.

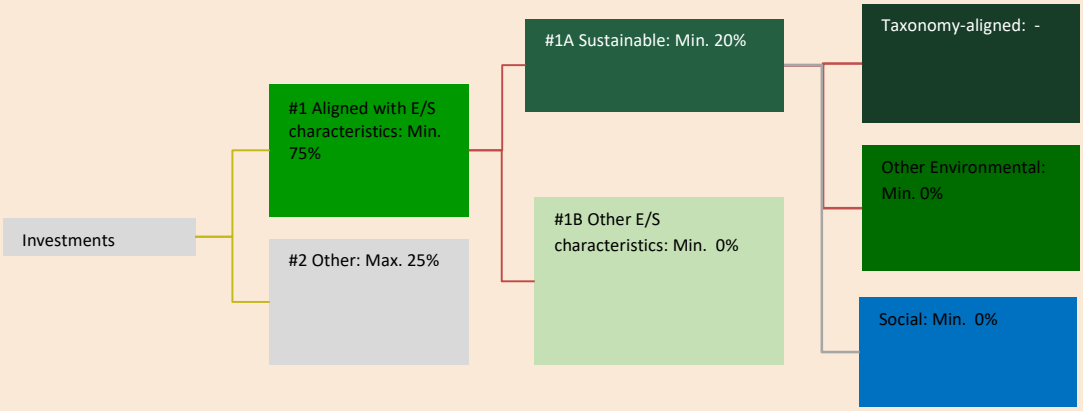
The sub-fund seeks to invest at least 75% of its total net assets in investments which have environmental and social characteristics, of which a minimum of 20% of its total net assets will consist of sustainable investments. A maximum of 25% of the total net assets of the sub-fund may be allocated to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

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.

For more detail about Candriam's ESG analysis, please see its website.

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.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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 ?[1]

☐ Yes

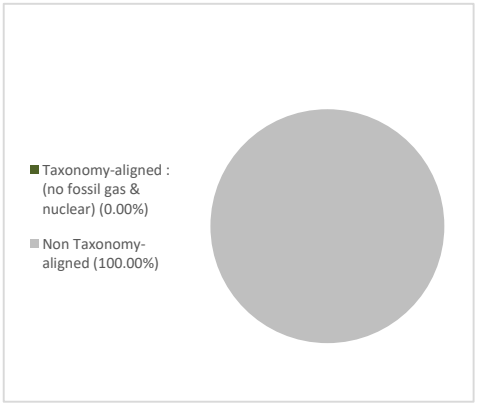
☐ In fossil gas ☐ In nuclear energy

☒ No

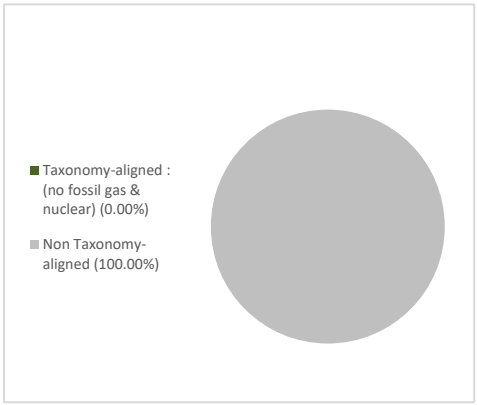
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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?

No specific index has been designated as a benchmark in order to evaluate alignment with E/S characteristics.

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?***

  N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  N/A

- ***How does the designated index differ from a relevant broad market index?***

  N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

  N/A



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/

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

Candriam Bonds - Euro

Legal entity identifier

5493006SXVFZ03JMCR93

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
	☒ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective** _%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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.

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 the most 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 the benchmark.

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 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 its benchmark,

  - 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 (Candriam's "Red list"),

  - 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 exploration, 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 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 recognized 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 exclusive 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/or the exercise of voting rights. Candriam prioritises engagement and/or 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/or 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 and standards-based exclusions, which are based on an analysis of companies' compliance with international standards, Candriam takes account of:

• 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.

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

The objective of the sub-fund is to use discretionary management to benefit from the performance of the market in bonds denominated in EUR, issued by highly rated issuers of all types, and to outperform the benchmark.

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 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.

  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 objectives 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 scope of the investments considered 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 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 as defined below.

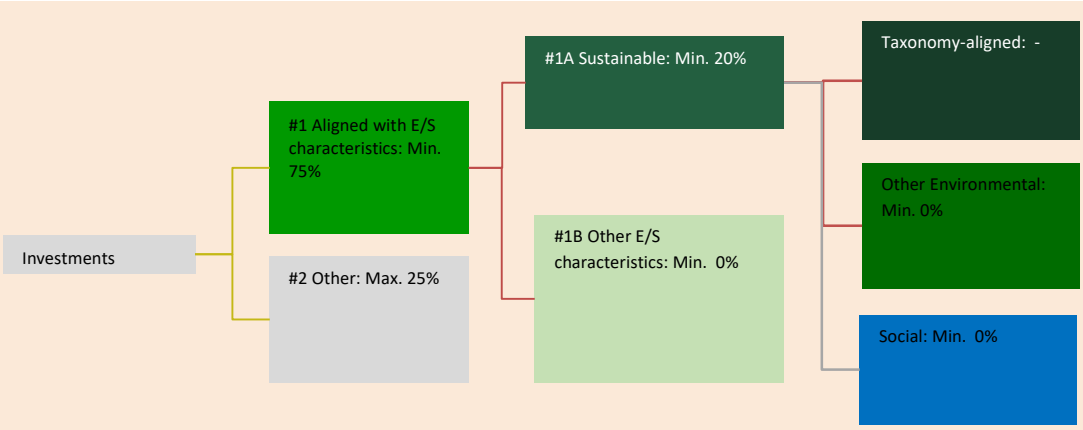
The percentage of sustainable investments may go up or down over time depending on the regulatory technical standards concerning the treatment of sovereign debt.

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.

For more detail about Candriam's ESG analysis, please see its website.

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.
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#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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 ?[1]

☐ Yes

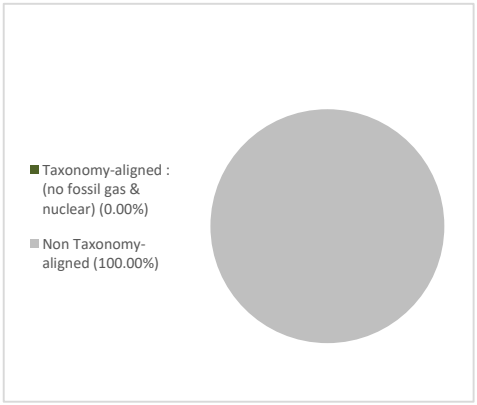
☐ In fossil gas ☐ In nuclear energy

☒ No

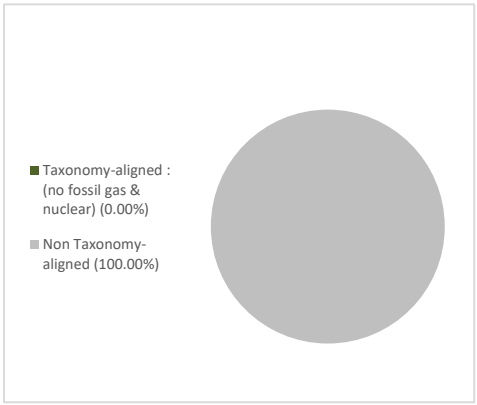
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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?

No specific index has been designated as a benchmark in order to evaluate alignment with E/S characteristics.

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?***

  N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  N/A

- ***How does the designated index differ from a relevant broad market index?***

  N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

  N/A



Where can I find more product specific information online?

For more detailed information about the product, go to:

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CANDRIAM
BY NEW YORK LIFE INVESTMENT MANAGEMENT

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

Candriam Bonds - Euro Corporate

Legal entity identifier

549300TKPREVZTM76642

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
	☒ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective** _%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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.

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 the most 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 achieve a lower carbon footprint than the benchmark.

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 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 its benchmark,

  - 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 (Candriam's "Red list"),

  - 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 exploration, 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 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 recognized international standards such as the UN Guiding Principles, Voluntary Principles on Security and Human Rights and the OECD Guidelines.

- ***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 exclusive 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. 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.

3. 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/or the exercise of voting rights. Candriam prioritises engagement and/or 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/or 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 and standards-based exclusions, which are based on an analysis of companies' compliance with international standards, Candriam takes account of:

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

• 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).

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 objective of the sub-fund is to use discretionary management to benefit from the performance of the market in bonds denominated in EUR and issued by highly rated private sector issuers, and to outperform the benchmark.

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

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 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.

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 objectives 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 scope of the investments considered 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.

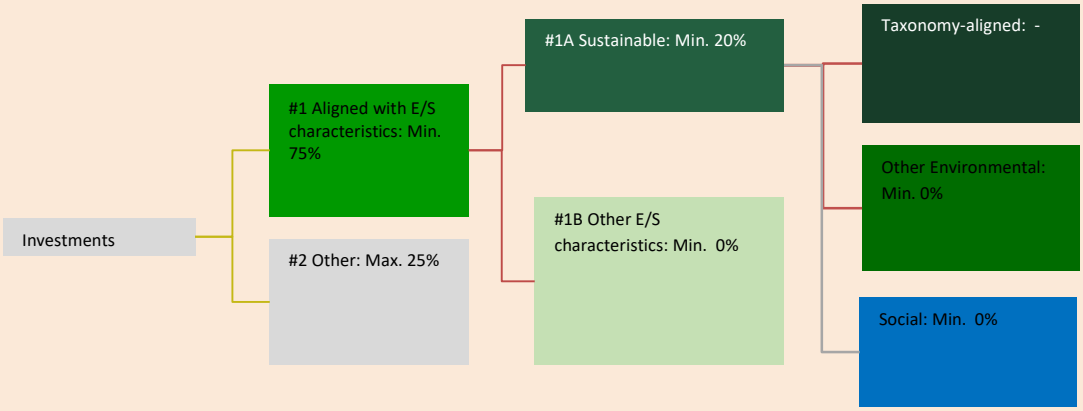
The sub-fund seeks to invest at least 75% of its total net assets in investments which have environmental and social characteristics, of which a minimum of 20% of its total net assets will consist of sustainable investments. A maximum of 25% of the total net assets of the sub-fund may be allocated to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

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.

For more detail about Candriam's ESG analysis, please see its website.

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.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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 ?[1]

☐ Yes

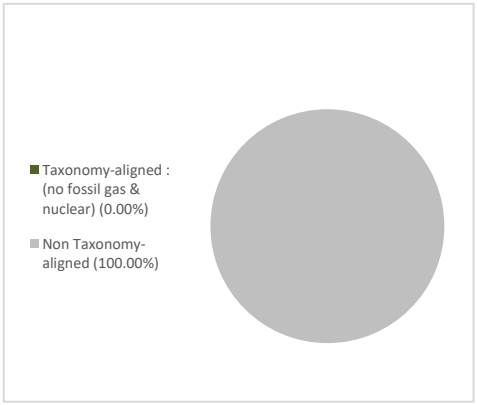
☐ In fossil gas ☐ In nuclear energy

☒ No

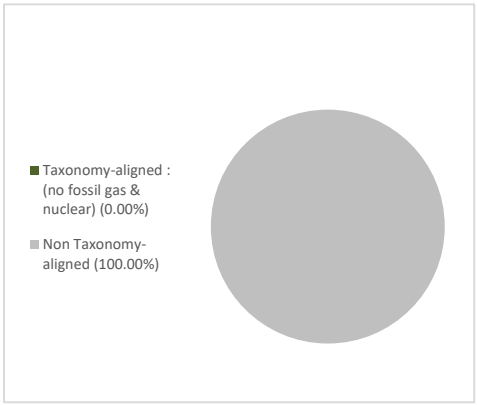
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1. Taxonomy alignment of investments **including sovereign bonds***



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?

No specific index has been designated as a benchmark in order to evaluate alignment with E/S characteristics.

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?***

  N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  N/A

- ***How does the designated index differ from a relevant broad market index?***

  N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

  N/A



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/

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Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

Candriam Bonds - Euro Corporate 2036

Legal entity identifier

54930060M4DM5HXX8C83

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
	☒ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective** _%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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.

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 the most 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 favoring 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,

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 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:

  - 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 (Candriam's "Red list"),

  - 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 exploration, 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 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 exclusive 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/or the exercise of voting rights. Candriam prioritises engagement and/or 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/or 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 and standards-based exclusions, which are based on an analysis of companies' compliance with international standards, Candriam takes account of:

• 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.

• 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 objective of the sub-fund is to use discretionary management to benefit from the performance of the market in bonds denominated in EUR and issued by private sector issuers, up to the sub-fund's initially scheduled maturity date of 31 December 2036.

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

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 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.

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 objectives 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 scope of the investments considered 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 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 as defined below.

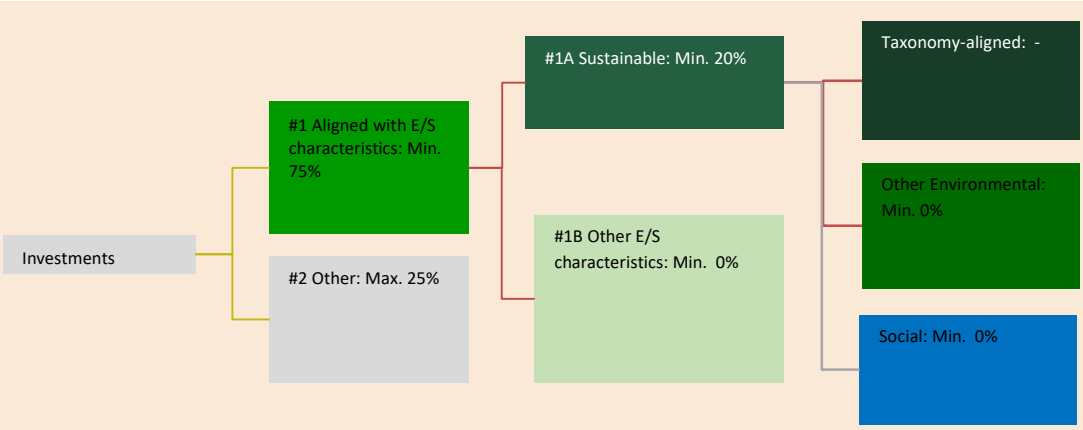
The percentage of sustainable investments may go up or down over time depending on the regulatory technical standards concerning the treatment of sovereign debt.

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.

For more detail about Candriam's ESG analysis, please see its website.

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.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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 ?[1]

☐ Yes

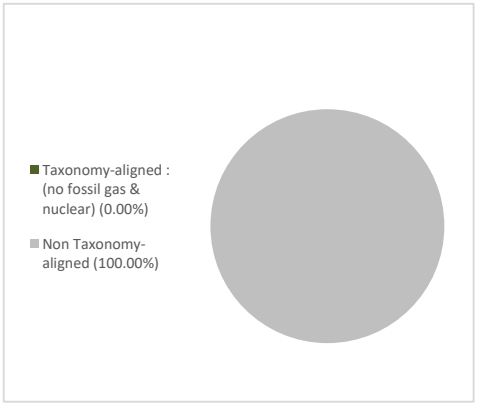
☐ In fossil gas ☐ In nuclear energy

☒ No

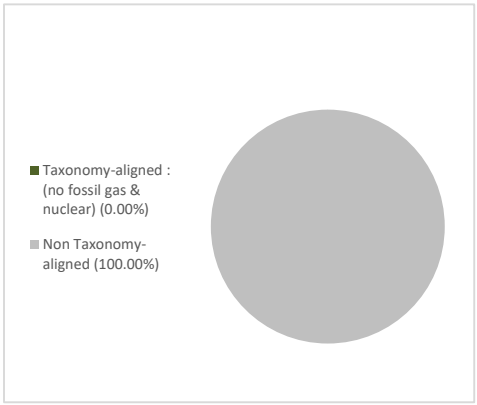
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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?

No specific index has been designated as a benchmark in order to evaluate alignment with E/S characteristics.

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?***

  N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  N/A

- ***How does the designated index differ from a relevant broad market index?***

  N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

  N/A



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/

CANDRIAM
BY NEW YORK LIFE INVESTMENT MANAGEMENT

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

Candriam Bonds - Euro Diversified

Legal entity identifier

549300PD4YW8IMXWWP44

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**: _%

- ☐ 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** _%

☒ 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

- ☐ 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**

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.

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 the most 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 the benchmark.

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 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 its benchmark,

  - 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 (Candriam's "Red list"),

  - 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 exploration, 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 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 exclusive 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/or the exercise of voting rights. Candriam prioritises engagement and/or 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/or 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 and standards-based exclusions, which are based on an analysis of companies' compliance with international standards, Candriam takes account of:

• 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.

• 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 investment strategy guides investment decisions based on factors such as investment objectives and

The objective of the sub-fund is to use discretionary management to benefit from the performance of the market in bonds denominated mainly in EUR, issued by highly rated eurozone issuers of all types and with a maturity of between 1 and 10 years, and to outperform the benchmark.

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.

risk tolerance.

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 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.

  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 objectives 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 scope of the investments considered 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 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 as defined below.

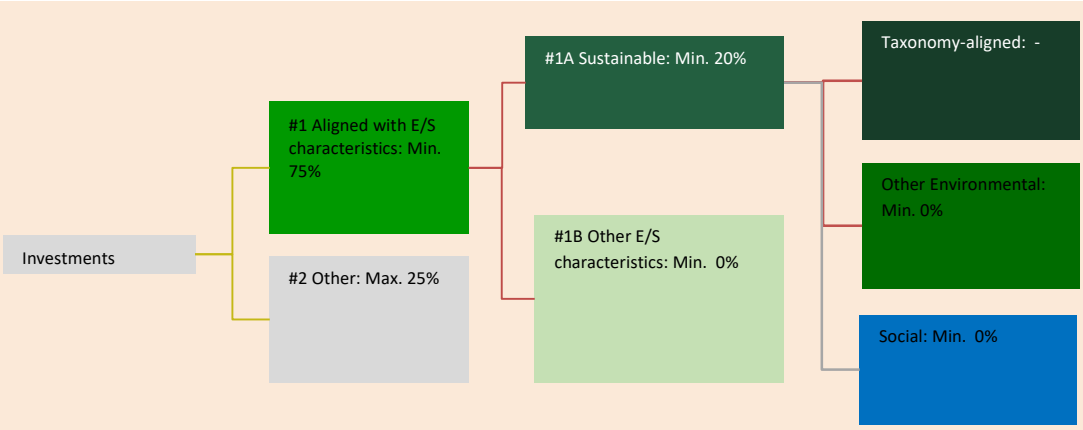
The percentage of sustainable investments may go up or down over time depending on the regulatory technical standards concerning the treatment of sovereign debt.

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.

For more detail about Candriam's ESG analysis, please see its website.

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.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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 ?[1]

☐ Yes

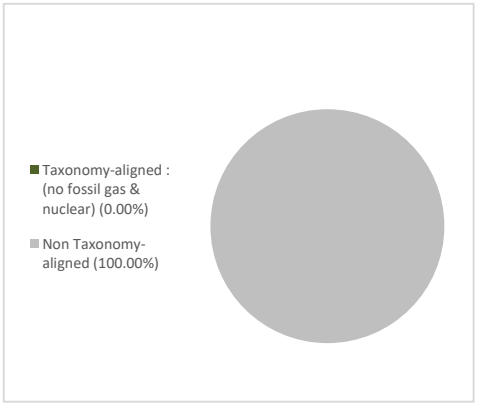
☐ In fossil gas ☐ In nuclear energy

☒ No

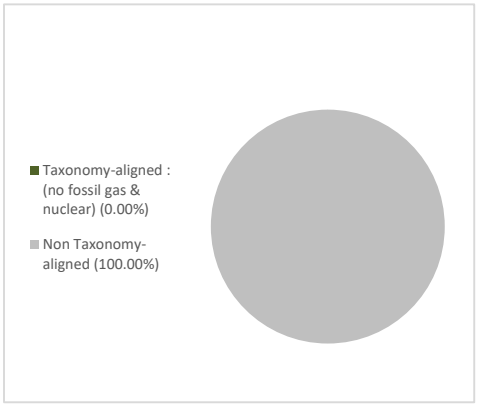
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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?

No specific index has been designated as a benchmark in order to evaluate alignment with E/S characteristics.

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?***

  N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  N/A

- ***How does the designated index differ from a relevant broad market index?***

  N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

  N/A



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/

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

Candriam Bonds - Euro Government

Legal entity identifier

549300HBEYY1QXT5U173

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**: _%

- ☐ 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** _%

☒ 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 33% 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**

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.

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 exposure to green bonds.

- By seeking to avoid exposure to countries considered to be oppressive regimes.

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 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:

- the sub-fund seeks to invest at least 10% of its net assets in green bonds. The sub-fund intends to increase the proportion of green bonds to 20% by the end of 2025,

- 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 have a positive environmental and social impact in the long term.

The sub-fund does not intend to invest in private issuers or in securities issued by companies. As such, the sub-fund does not have a minimum alignment with the European Taxonomy.

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.

Investments 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 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.

2. 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.

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 sub-fund does not intend to invest in private issuers or in securities issued by companies.

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:

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.

• Monitoring:

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

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

The objective of the sub-fund is to use discretionary management to benefit from the performance of the market in bonds issued or guaranteed by eurozone governments, international and supranational organisations and public sector entities, and to outperform the benchmark.

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 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.

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 objectives 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 an exclusion filter for sovereign issuers of regimes considered oppressive. There is no committed minimum rate to reduce the scope of the investments considered 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 sub-fund does not intend to invest in private issuers or in securities issued by companies.

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 75% of its total net assets in investments which have environmental and social characteristics, of which a minimum of 33% 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 as defined below.

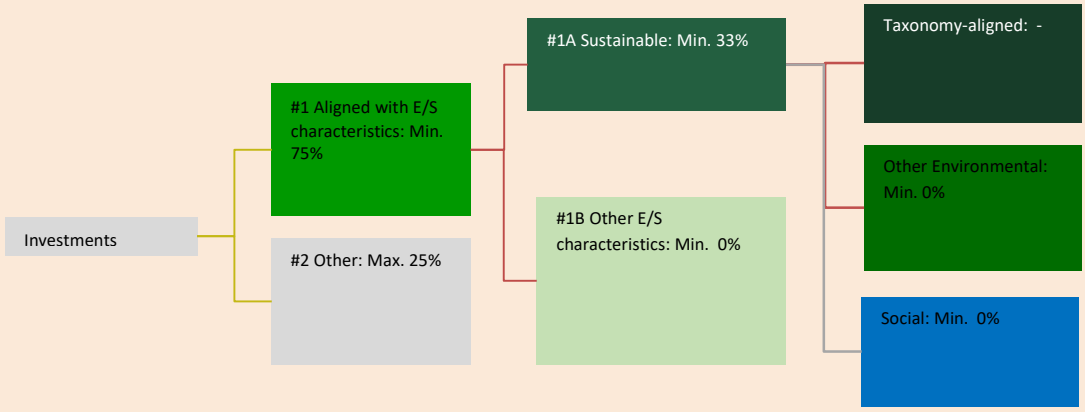
The percentage of sustainable investments may go up or down over time depending on the regulatory technical standards concerning the treatment of sovereign debt.

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.

For more detail about Candriam's ESG analysis, please see its website.

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.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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 sub-fund does not intend to invest in private issuers or in securities issued by companies.

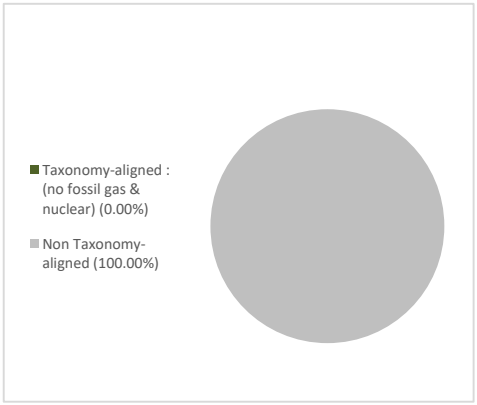
- ○ **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy ?**[1]

  - ☐ Yes
    - ☐ In fossil gas
    - ☐ In nuclear energy
  - ☒ No

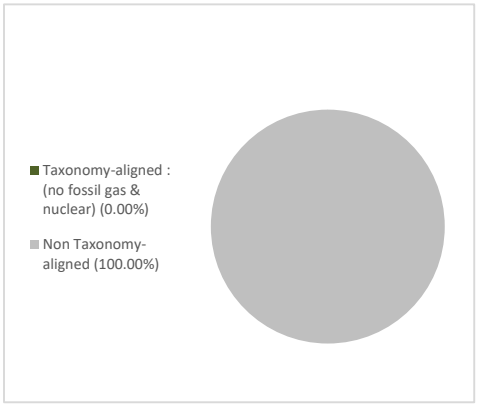
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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. 49% 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?

No specific index has been designated as a benchmark in order to evaluate alignment with E/S characteristics.

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?***

  N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  N/A

- ***How does the designated index differ from a relevant broad market index?***

  N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

  N/A

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/

CANDRIAM
A NEW YORK LIFE INVESTMENTS COMPANY

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

Candriam Bonds - Euro High Yield

Legal entity identifier

UIVRSZFQSP1UFG9M8G73

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**: _%
  - ☐ 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** _%
- ☒ 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 10 % 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**

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.

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 the most 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 achieve a lower carbon footprint than the benchmark.

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 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 below its benchmark for private issuers,

- steps to ensure that there are no investments in issuers that present the most serious breaches of the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises,

- steps to ensure that there are no investments in issuers particularly exposed to the exploration, mining, transport or distribution of thermal coal,

- 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 production and distribution of tobacco.

- ***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 exclusive 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

→ *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

investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti‑corruption and anti‑bribery matters.

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. 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.

3. 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/or the exercise of voting rights. Candriam prioritises engagement and/or 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/or 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 and standards-based exclusions, which are based on an analysis of companies' compliance with international standards, Candriam takes account of:

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

• 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).

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

The objective of the sub-fund is to use discretionary management to benefit from the performance of the market in high yield bonds denominated in EUR and issued by private sector issuers, and to outperform the benchmark. These high yield securities are generally poorly rated and exposed to higher credit risk and liquidity risk than more highly rated securities; they may be subject to greater market value fluctuations and lower liquidity.

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 exclusion policy comprising a normative filter as well as the exclusion of certain controversial activities as described in Candriam’s Level 1 Company-Wide Exclusions Policy. Candriam’s Level 1 Company-Wide Exclusions Policy is aimed at harmful activities that in Candriam’s opinion have a substantial negative impact and involve significant 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.

Consequently Candriam excludes activities linked to controversial weapons, tobacco and thermal coal from all the portfolios that it manages directly and encourages third parties to do likewise.

Candriam’s Level 1 Company-Wide 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 full list of activities excluded by virtue of Candriam’s Level 1 Company-Wide 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 1 Company-Wide Exclusions Policy”).

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

- the objectives 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 scope of the investments considered 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.

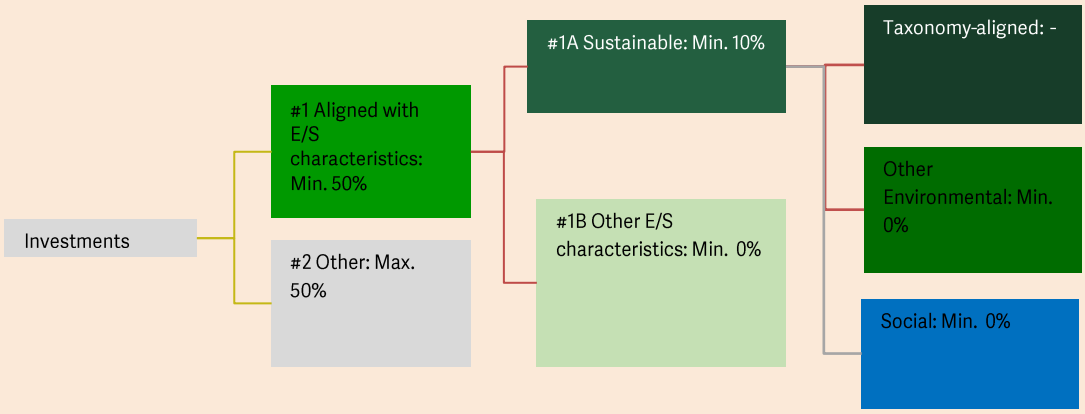
The Sub-fund seeks to invest at least 50% of its total net assets in investments which have environmental and social characteristics, of which a minimum of 10% of its total net assets will consist of sustainable investments. A maximum of 50% of the total net assets of the Sub-fund may be allocated to other assets as defined below.

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.

For more detail about Candriam's ESG analysis, please see its website.

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.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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 ?[1]

☐ Yes

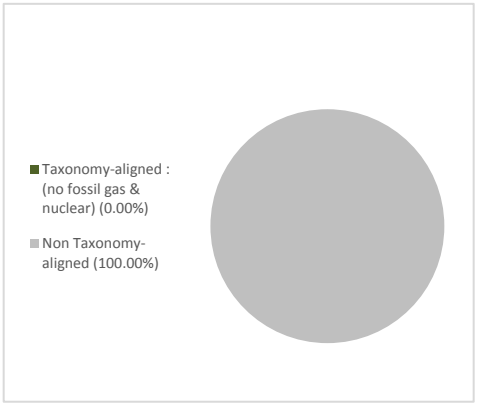
☐ In fossil gas ☐ In nuclear energy

☒ No

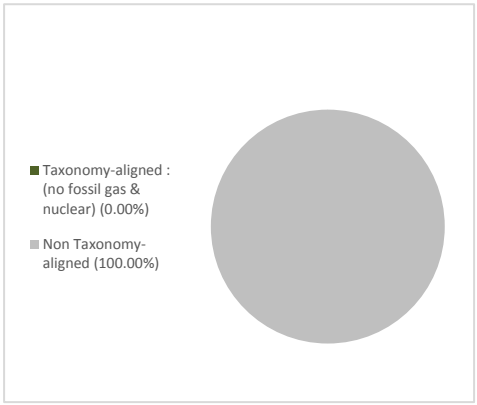
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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 50% 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?

No specific index has been designated as a benchmark in order to evaluate alignment with E/S characteristics.

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?***

  N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  N/A

- ***How does the designated index differ from a relevant broad market index?***

  N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

  N/A



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/

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

Candriam Bonds - Euro Short Term

Legal entity identifier

549300FAP0Y3KX2J2H03

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
	☒ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective** _%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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.

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 the most 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 achieve a lower carbon footprint than the benchmark.

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 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 its benchmark,

- 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 (Candriam's "Red list"),

- 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 exploration, 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 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.

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 exclusive 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. 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.

3. 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/or the exercise of voting rights. Candriam prioritises engagement and/or 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/or 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 and standards-based exclusions, which are based on an analysis of companies' compliance with international standards, Candriam takes account of:

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

• 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).

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

The objective of the sub-fund is to use discretionary management to benefit from the performance of the market in bonds denominated in EUR with a duration of no more than 3 years and a residual term not exceeding 5 years, issued by highly rated issuers, and to outperform the benchmark.

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 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.

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 objectives 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 scope of the investments considered 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.

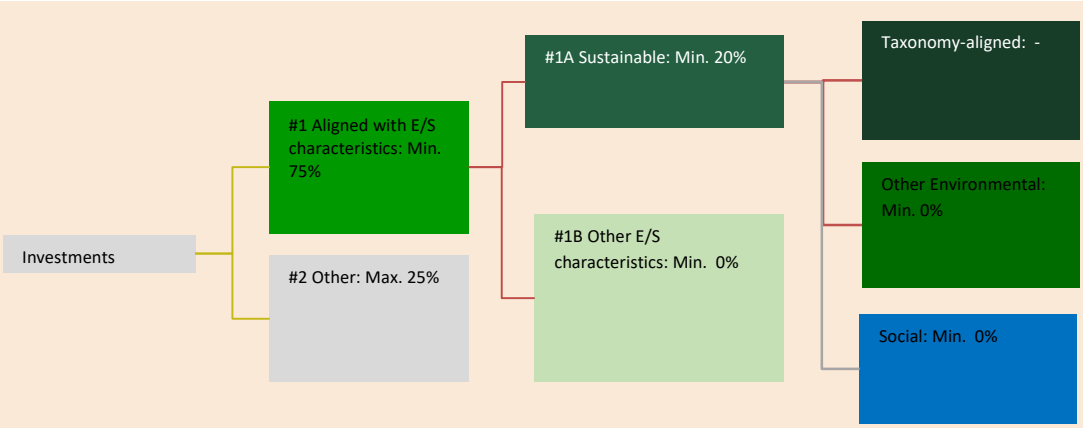
The Sub-fund seeks to invest at least 75% of its total net assets in investments which have environmental and social characteristics, of which a minimum of 20% of its total net assets will consist of sustainable investments. A maximum of 25% of the total net assets of the Sub-fund may be allocated to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

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.

For more detail about Candriam's ESG analysis, please see its website.

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.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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 ?[1]

☐ Yes

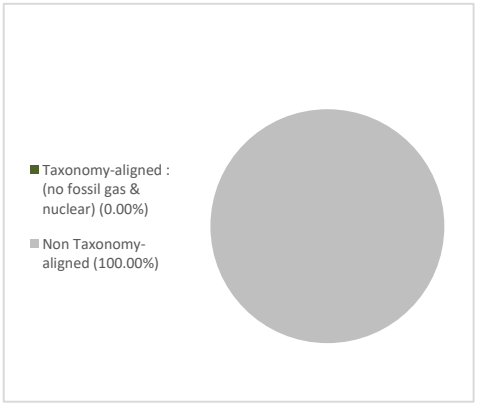
☐ In fossil gas ☐ In nuclear energy

☒ No

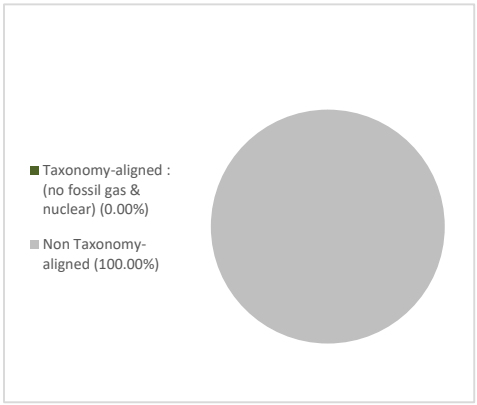
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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?

No specific index has been designated as a benchmark in order to evaluate alignment with E/S characteristics.

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?***

  N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  N/A

- ***How does the designated index differ from a relevant broad market index?***

  N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

  N/A



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/

CANDRIAM
BY NEW YORK LIFE INVESTMENT MANAGEMENT

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

Candriam Bonds - Floating Rate Notes

Legal entity identifier

5493001WFIFEG3F03669

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

- ☐ **Yes**
- ☒ **No**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided 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.

- ☐ It will make a minimum of **sustainable investments 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
- ☐ It will make a minimum of **sustainable investments with a social 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
  - ☐ 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 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 the most 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 carbon footprint that is below 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 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 (Candriam's "Red list"),

  - 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 exploration, 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 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 recognized 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 exclusive 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/or the exercise of voting rights. Candriam prioritises engagement and/or 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/or 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 and standards-based exclusions, which are based on an analysis of companies' compliance with international standards, Candriam takes account of:

• 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.

• 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 investment strategy guides investment decisions based on factors such as investment objectives and

The objective of the sub-fund is to benefit from the performance of the market in bonds denominated in EUR with an interest rate sensitivity between 0 and 3 years, issued by highly rated issuers, on the basis of discretionary management and without any reference to a benchmark.

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.

risk tolerance.

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 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.

  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 objectives 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 scope of the investments considered 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 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 as defined below.

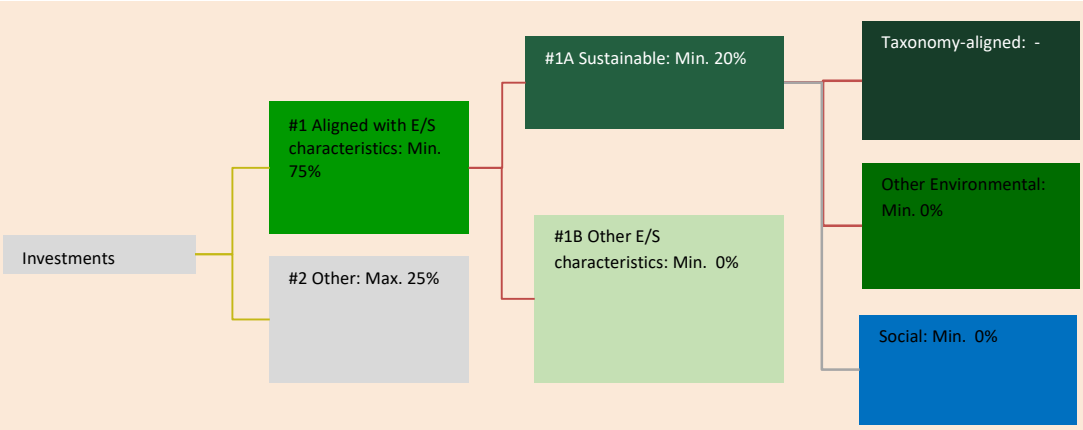
The percentage of sustainable investments may go up or down over time depending on the regulatory technical standards concerning the treatment of sovereign debt.

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.

For more detail about Candriam's ESG analysis, please see its website.

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.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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 ?[1]

☐ Yes

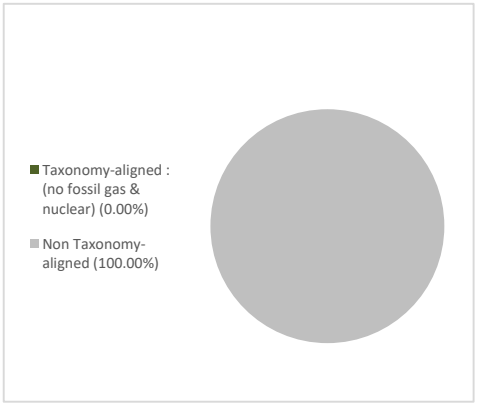
☐ In fossil gas ☐ In nuclear energy

☒ No

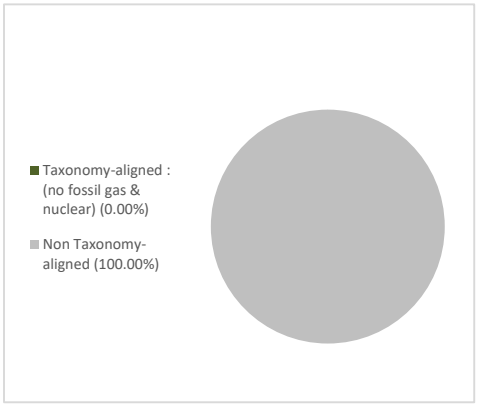
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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?

No specific index has been designated as a benchmark in order to evaluate alignment with E/S characteristics.

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?***

  N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  N/A

- ***How does the designated index differ from a relevant broad market index?***

  N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

  N/A

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/

CANDRIAM
A NEW YORK LIFE INVESTMENTS COMPANY

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

Candriam Bonds - Global Alpha

Legal entity identifier

VWJ2HVAWZ6DBQPMBCS54

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 10 % 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
	☒ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective** _%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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.

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 the most 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 carbon footprint that is below 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 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 (Candriam's "Red list"),

  - 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 exploration, 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 exclusive 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/or the exercise of voting rights. Candriam prioritises engagement and/or 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/or 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 and standards-based exclusions, which are based on an analysis of companies' compliance with international standards, Candriam takes account of:

• 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.

• 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 investment strategy guides investment decisions based on factors such as investment objectives and

risk tolerance.

- ***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 objectives 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 scope of the investments considered 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,

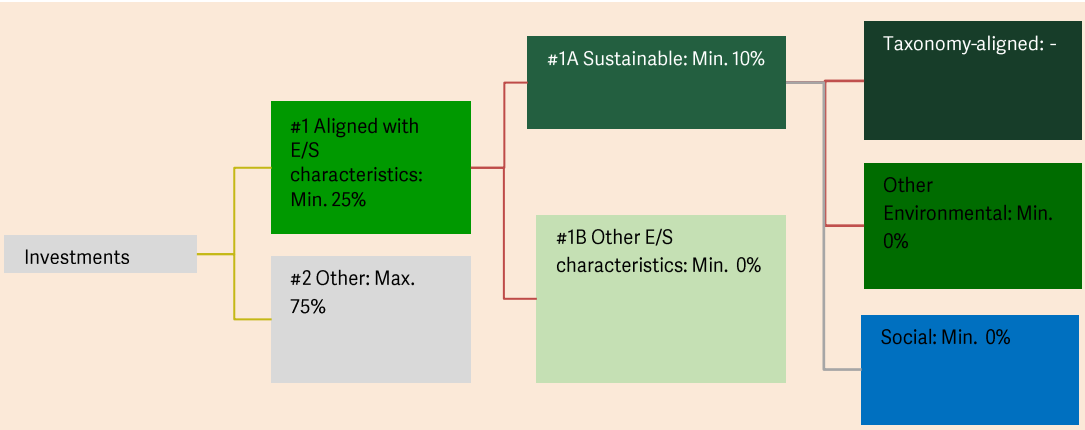
5. Financial conduct and transparency.

What is the asset allocation planned for this financial product?



Asset allocation describes the share of investments in specific assets.

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.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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 ?[1]

☐ Yes

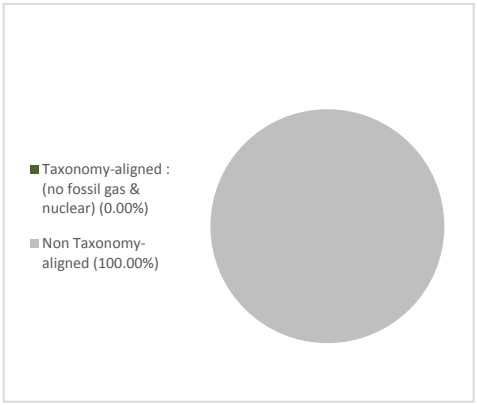
☐ In fossil gas ☐ In nuclear energy

☒ No

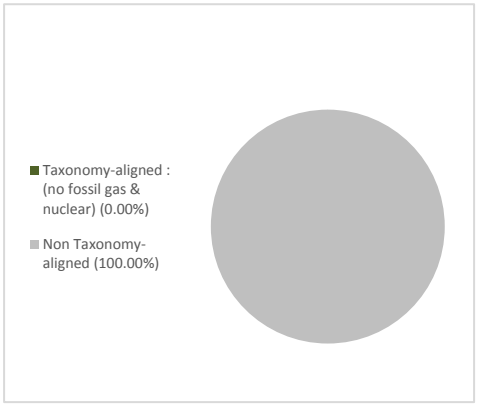
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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?

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?

No specific index has been designated as a benchmark in order to evaluate alignment with E/S characteristics.

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?***

  N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  N/A

- ***How does the designated index differ from a relevant broad market index?***

  N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

  N/A

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/

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

Candriam Bonds - Global Government

Legal entity identifier

549300CN3BNIFLN1Z012

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
	☒ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective** _%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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.

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 exposure to green bonds.

- By seeking to avoid exposure to countries considered to be oppressive regimes.

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 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:

- the sub-fund seeks to invest at least 10% of its net assets in green bonds. The sub-fund intends to increase the proportion of green bonds to 20% by the end of 2025. Green bonds eligible for the sub-fund can include sovereign issues and quasi-sovereign issues,

- 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 have a positive environmental and social impact in the long term.

The sub-fund does not intend to invest in private issuers or in securities issued by companies. As such, the sub-fund does not have a minimum alignment with the European Taxonomy.

- ***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.

Investments 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 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.

2. 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.

→ *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 sub-fund does not intend to invest in private issuers or in securities issued by companies.

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:

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.

• Monitoring:

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

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

The objective of the sub-fund is to use discretionary management to benefit from the performance of the market in bonds denominated in any currency, issued or guaranteed by highly rated governments, international and supranational organisations and public sector entities, and to outperform the benchmark.

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 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.

  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 objectives 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 an exclusion filter for sovereign issuers of regimes considered oppressive. There is no committed minimum rate to reduce the scope of the investments considered 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 sub-fund does not intend to invest in private issuers.

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 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 as defined below.

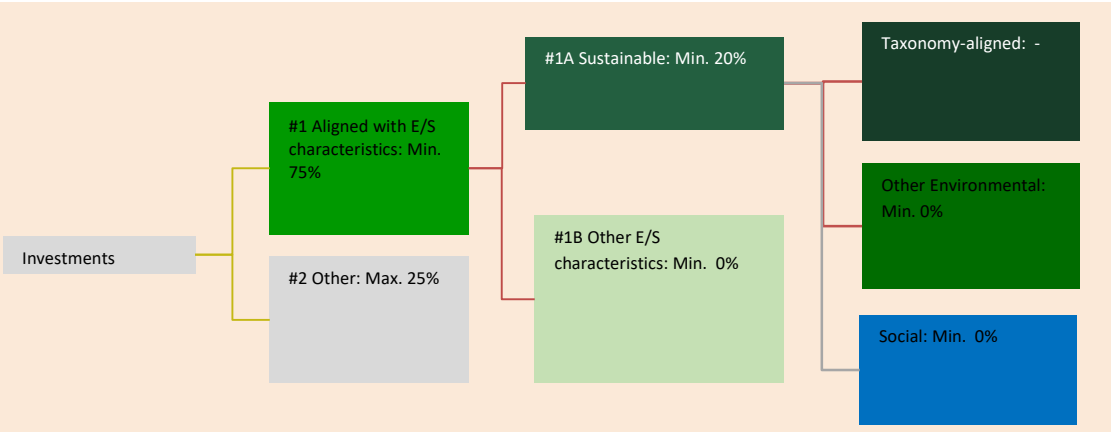
The percentage of sustainable investments may go up or down over time depending on the regulatory technical standards concerning the treatment of sovereign debt.

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.

For more detail about Candriam's ESG analysis, please see its website.

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.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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 sub-fund does not intend to invest in private issuers or in securities issued by companies.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy ?[1]

☐ Yes

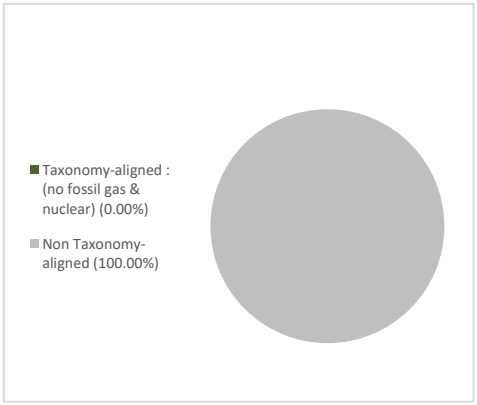
☐ In fossil gas ☐ In nuclear energy

☒ No

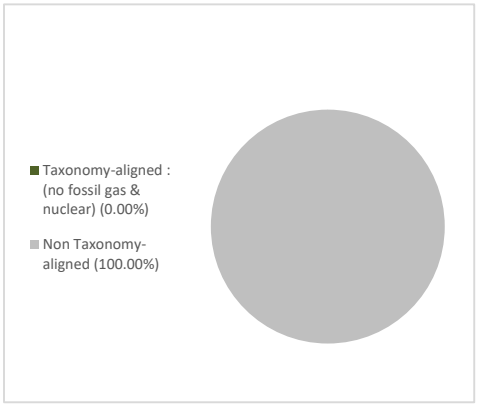
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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. 49% 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?

The sub-fund does not intend to invest in private issuers or in securities issued by companies.

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?

No specific index has been designated as a benchmark in order to evaluate alignment with E/S characteristics.

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?***

  N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  N/A

- ***How does the designated index differ from a relevant broad market index?***

  N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

  N/A



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/

CANDRIAM
A NEW YORK LIFE INVESTMENTS COMPANY

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

Candriam Bonds - Global High Yield

Legal entity identifier

JX7LWVCFC0DZFV0O2126

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**: _%
  - ☐ 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** _%
- ☒ 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 10 % 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**

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.

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 the most 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 achieve a lower carbon footprint than the benchmark.

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 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 below its benchmark for private issuers,

- steps to ensure that there are no investments in issuers that present the most serious breaches of the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises,

- steps to ensure that there are no investments in issuers particularly exposed to the exploration, mining, transport or distribution of thermal coal,

- 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 production and distribution of tobacco.

- ***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 exclusive 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

- *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

investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti‑corruption and anti‑bribery matters.

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. 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.

3. 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/or the exercise of voting rights. Candriam prioritises engagement and/or 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/or 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 and standards-based exclusions, which are based on an analysis of companies' compliance with international standards, Candriam takes account of:

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

• 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).

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

The objective of the sub-fund is to use discretionary management to benefit from the

performance of the market in high yield bonds issued by private sector issuers, and to outperform the benchmark. These high yield securities are generally poorly rated and exposed to higher credit risk and liquidity risk than more highly rated securities; they may be subject to greater market value fluctuations and lower liquidity.

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 exclusion policy comprising a normative filter as well as the exclusion of certain controversial activities as described in Candriam’s Level 1 Company-Wide Exclusions Policy. Candriam’s Level 1 Company-Wide Exclusions Policy is aimed at harmful activities that in Candriam’s opinion have a substantial negative impact and involve significant 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.

Consequently Candriam excludes activities linked to controversial weapons, tobacco and thermal coal from all the portfolios that it manages directly and encourages third parties to do likewise.

Candriam’s Level 1 Company-Wide 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 full list of activities excluded by virtue of Candriam’s Level 1 Company-Wide 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 1 Company-Wide Exclusions Policy”).

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

- the objectives 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 scope of the investments considered 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.

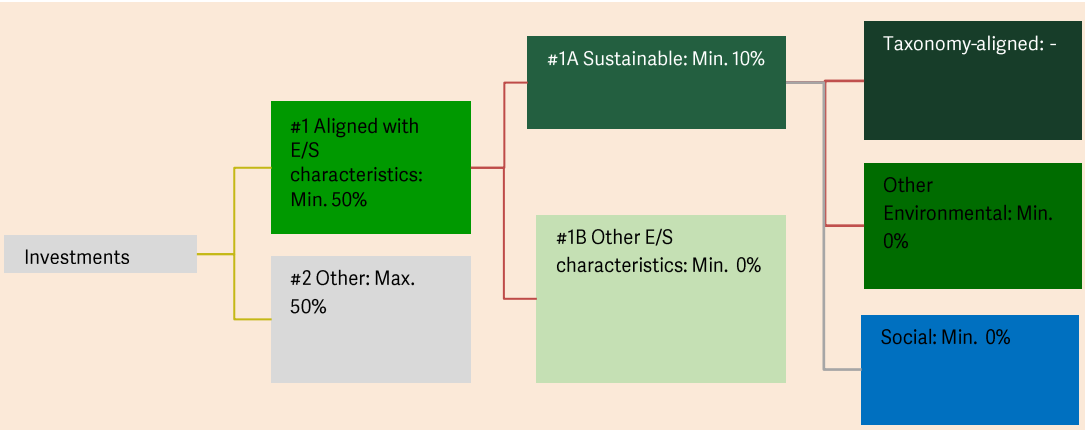
The Sub-fund seeks to invest at least 50% of its total net assets in investments which have environmental and social characteristics, of which a minimum of 10% of its total net assets will consist of sustainable investments. A maximum of 50% of the total net assets of the Sub-fund may be allocated to other assets as defined below.

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.

For more detail about Candriam's ESG analysis, please see its website.

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.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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 ?[1]

☐ Yes

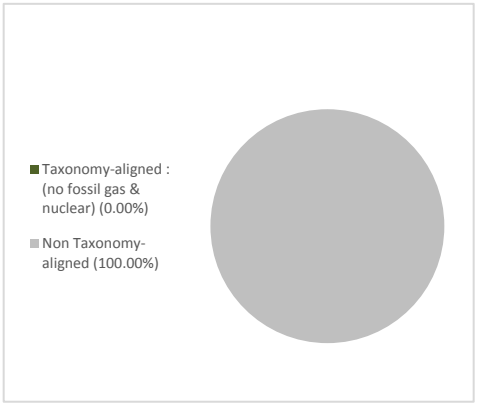
☐ In fossil gas ☐ In nuclear energy

☒ No

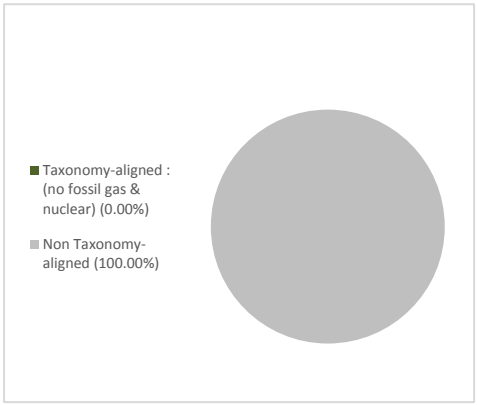
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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 50% 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?

No specific index has been designated as a benchmark in order to evaluate alignment with E/S characteristics.

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?***

  N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  N/A

- ***How does the designated index differ from a relevant broad market index?***

  N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

  N/A



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/

CANDRIAM
BY NEW YORK LIFE INVESTMENT MANAGEMENT

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

Candriam Bonds - Global Inflation Short Duration

Legal entity identifier

549300HOZTY0DOX35S86

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
	☒ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective** _%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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.

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 the most 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 intensity 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 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:

  - the sub-fund seeks to achieve a carbon intensity for public 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 (Candriam's "Red list"),

  - 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 exploration, 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 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 have a positive environmental and social impact in the long term.

  The sustainable investments held in the sub-fund do not systematically take account of one of more environmental objectives. Nevertheless, having undergone Candriam's proprietary ESG analysis and filtering, such sustainable investments 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/or the exercise of voting rights. Candriam prioritises engagement and/or 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/or 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 and standards-based exclusions, which are based on an analysis of companies' compliance with international standards, Candriam takes account of:

• 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.

• 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 objective of the sub-fund is to use discretionary management to benefit from the performance of the market in inflation indexed bonds with a maturity of less than 5 years, and to outperform the benchmark.

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

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 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.

  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 objectives 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 scope of the investments considered prior to the application of the investment

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 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 as defined below.

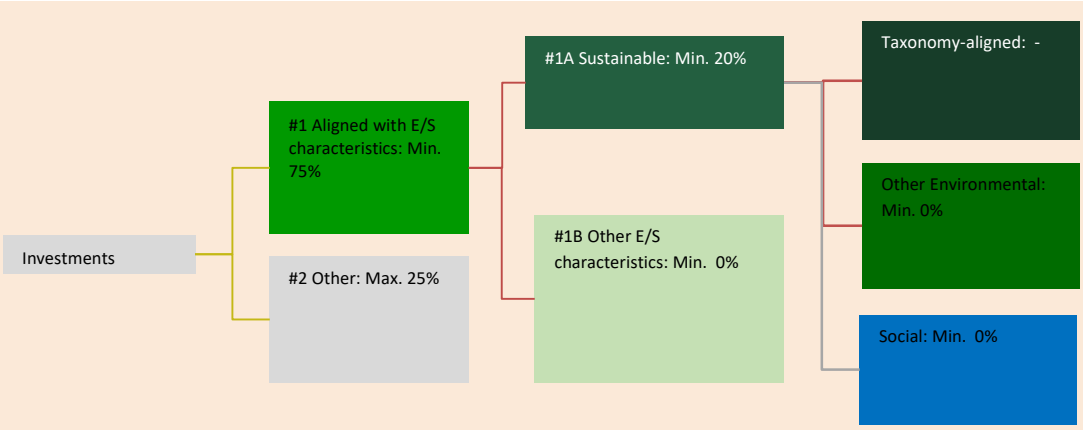
The percentage of sustainable investments may go up or down over time depending on the regulatory technical standards concerning the treatment of sovereign debt.

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.

For more detail about Candriam's ESG analysis, please see its website.

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.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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 ?[1]

☐ Yes

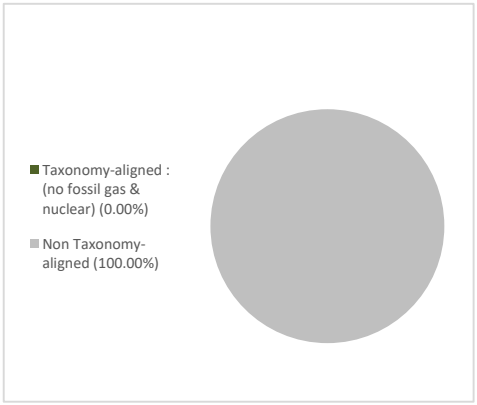
☐ In fossil gas ☐ In nuclear energy

☒ No

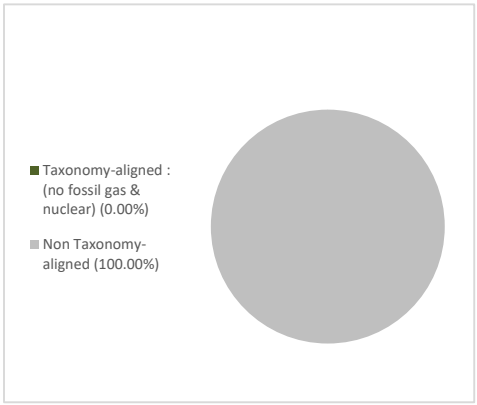
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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?

No specific index has been designated as a benchmark in order to evaluate alignment with E/S characteristics.

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?***

  N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  N/A

- ***How does the designated index differ from a relevant broad market index?***

  N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

  N/A



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/

CANDRIAM
A NEW YORK LIFE INVESTMENTS COMPANY

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

Candriam Bonds - International

Legal entity identifier

549300LNK3MUMRU3FF61

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
	☒ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective** _%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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.

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 the most 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 avoid exposure to countries considered to be oppressive regimes,

- by seeking to achieve a lower carbon footprint than the benchmark.

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 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 lower carbon footprint than the benchmark for private issuers,

  - steps to ensure that there are no investments in issuers in serious breach of the normative principles, taking account of their practices with regard to environmental and social issues and of the UN Global Compact and the OECD Guidelines for Multinational Enterprises (Candriam's "Red list"),

  - 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 exposed to controversial weapons,

  - steps to ensure that there are no investments in issuers particularly exposed to the production and distribution of tobacco,

  - 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 exclusive 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/or the exercise of voting rights. Candriam prioritises engagement and/or 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/or 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 and standards-based exclusions, which are based on an analysis of companies' compliance with international standards, Candriam takes account of:

• 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.

• 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 objective of the sub-fund is to use discretionary management to benefit from the performance of the market in bonds issued by highly rated public or private sector issuers of all types, and to outperform the benchmark.

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

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 exclusion policy comprising a normative filter as well as the exclusion of certain controversial activities and the exclusion of investment in countries considered to be oppressive as described in Candriam's Level 1 Company-Wide Exclusions Policy. Candriam's Level 1 Company-Wide Exclusions Policy is aimed at harmful activities that in Candriam's opinion have a substantial negative impact and involve significant 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.

Consequently Candriam excludes activities linked to controversial weapons, tobacco and thermal coal from all the portfolios that it manages directly and encourages third parties

to do likewise.

Candriam's Level 1 Company-Wide 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 full list of activities excluded by virtue of Candriam's Level 1 Company-Wide 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 1 Company-Wide Exclusions Policy").

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

- the objectives 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 scope of the investments considered 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 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 as defined below.

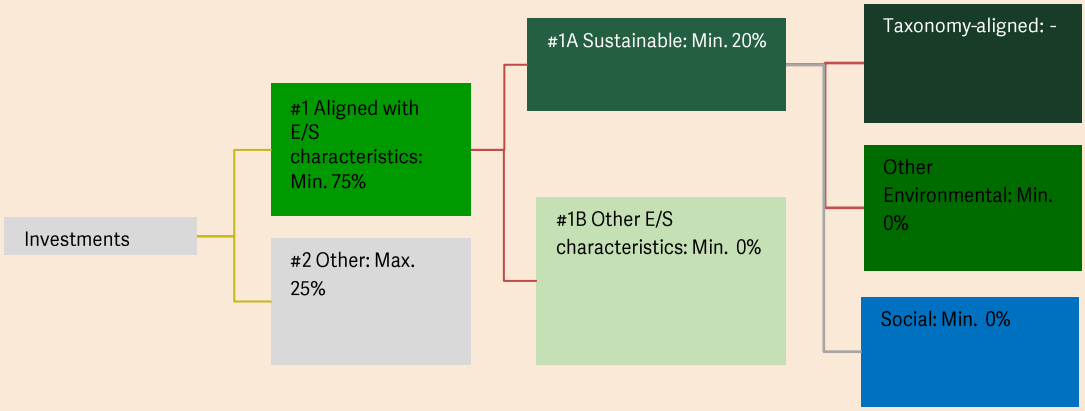
The percentage of sustainable investments may go up or down over time depending on the regulatory technical standards concerning the treatment of sovereign debt.

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.

For more detail about Candriam's ESG analysis, please see its website.

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.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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 ?[1]

☐ Yes

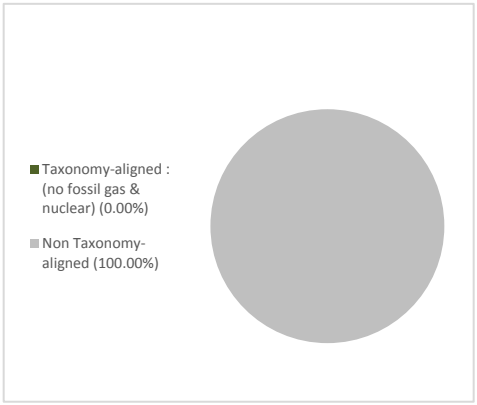
☐ In fossil gas ☐ In nuclear energy

☒ No

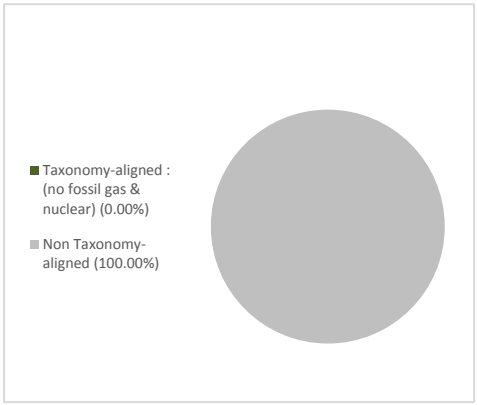
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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?

No specific index has been designated as a benchmark in order to evaluate alignment with E/S characteristics.

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?***

  N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  N/A

- ***How does the designated index differ from a relevant broad market index?***

  N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

  N/A



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/

CANDRIAM
BY NEW YORK LIFE INVESTMENT MANAGEMENT

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

Candriam Bonds - US Corporate

Legal entity identifier

529900DR80V6WPG9J312

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**: _%

- ☐ 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** _%

☒ 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

- ☐ 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**

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.

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 the most 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 achieve a lower carbon footprint than the benchmark.

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 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 its benchmark,

  - 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 (Candriam's "Red list"),

  - 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 exploration, 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 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.

- ***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 exclusive 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. They are therefore highly likely to 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. 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.

3. 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/or the exercise of voting rights. Candriam prioritises engagement and/or 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/or 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 and standards-based exclusions, which are based on an analysis of companies' compliance with international standards, Candriam takes account of:

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

• 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).

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 objective of the Sub-fund is to use discretionary management to benefit from the performance of the market in bonds denominated in USD and issued primarily by highly rated private sector US issuers, and to outperform the benchmark.

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

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 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.

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 objectives 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 scope of the investments considered 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.

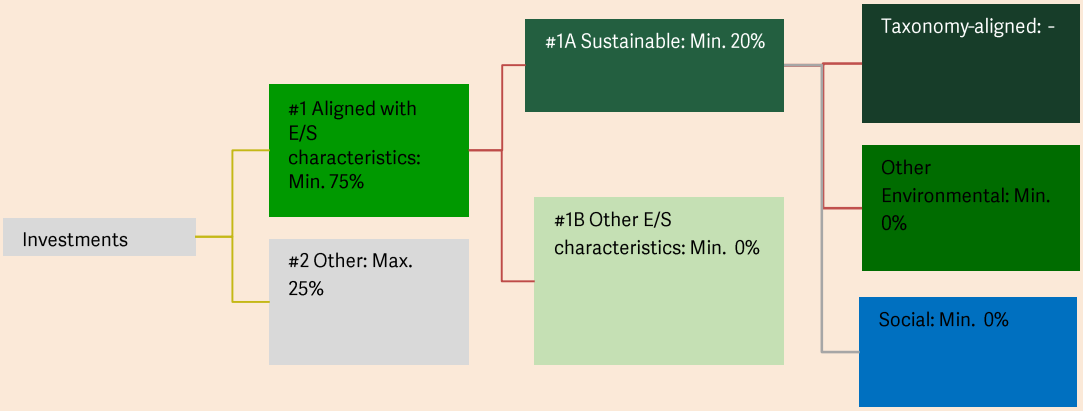
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The investments which have environmental and social characteristics are investments which undergo Candriam's proprietary ESG analysis and are eligible on the basis of their ESG rating. In addition, these investments must respect Candriam's exclusion 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.

For more detail about Candriam's ESG analysis, please see its website.

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The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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 ?[1]

☐ Yes

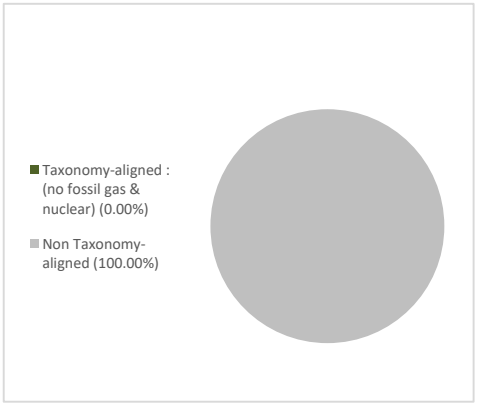
☐ In fossil gas ☐ In nuclear energy

☒ No

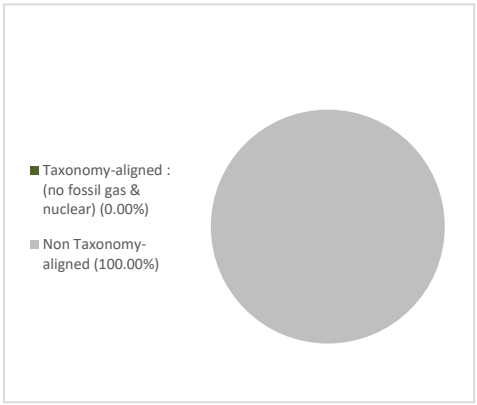
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas 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?

No specific index has been designated as a benchmark in order to evaluate alignment with E/S characteristics.

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?***

  N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  N/A

- ***How does the designated index differ from a relevant broad market index?***

  N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

  N/A

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/

CANDRIAM
BY NEW YORK LIFE INVESTMENT MANAGEMENT

UK SUPPLEMENT

relating to the issue of units of

Candriam Bonds

This UK Supplement should be read in conjunction with and forms part of the latest version of Prospectus as amended or supplemented from time to time (the "Prospectus"). References to the Prospectus are to be taken as references to that document as supplemented or amended hereby. In addition, words and expressions defined in the Prospectus, unless otherwise defined below, shall bear the same meaning when used herein.

Candriam Bonds (the "**Fund**") (a Luxembourg investment company with variable capital – SICAV), is domiciled in the Grand Duchy of Luxembourg and is authorised by the Luxembourg *Commission de Surveillance du Secteur Financier* (CSSF). The Fund is recognised in the United Kingdom under the Overseas Funds Regime but is not a UK-authorised fund. The Fund is managed by CANDRIAM (the "**Management Company**") which is domiciled in the Grand Duchy of Luxembourg and is authorised by the Luxembourg *Commission de Surveillance du Secteur Financier* (CSSF).

Consumer redress schemes and access to Financial Ombudsman Services and Financial Services Compensation Scheme

UK investors should be aware that if they invest in the Fund, they will not be able to refer a complaint against the Management Company or its depositary to the UK's Financial Ombudsman Service. Any claims for losses relating to the Management Company or the depositary will not be covered by the Financial Services Compensation Scheme, in the event that either person should become unable to meet its liabilities to investors.

A UK investors will be able to make a complaint to the Fund and the Management Company, but will not have a right to access any independent redress mechanism in Luxembourg.

UK investors may contact Kroll Advisory Ltd (the "**Facilities Agent**"), having its office at The News Building, Level 6, 3 London Bridge Street, London SE1 9SG, United Kingdom, which will provide details on request of how to make a complaint, and what rights if any are available to them under an alternative dispute resolution scheme or a compensation scheme.

Dealing Arrangements and Information

The Prospectus is being distributed in the United Kingdom by the Management Company. Other persons distributing the Prospectus in, from, or into the United Kingdom must satisfy themselves it is lawful to do so.

In making an investment decision, prospective investors must rely on their own examination of the legal, taxation, financial and other consequences of an investment in the Fund and the terms of the offering including the merits and risks involved. Prospective investors should not treat the contents of this document as advice relating to legal, taxation or investment matters and are advised to consult their own professional advisers concerning the acquisition, holding or disposal of shares.

Kroll Advisory Ltd has been appointed, pursuant to an agreement with the Management Company to act as the facilities agent for the Fund in the United Kingdom and it has agreed to provide certain facilities at its offices at The News Building, Level 6, 3 London Bridge Street, London SE1 9SG, United Kingdom, in respect of the Fund.

The attention of investors is drawn to the subscription and repurchase procedures contained in the Prospectus in particular with regard to the deadlines for the Fund. Requests for the repurchase of shares (a "**Redemption Request**") may be sent to either the Facilities Agent at the abovementioned offices or the Transfer Agent of the Fund at the offices mentioned in the Prospectus.

Shares are issued and repurchased at the net asset value per share as determined on the relevant valuation day as set out in the Prospectus. Details of the determination of the net asset value per share are set out in section *17. Net Asset Value* of the Prospectus. Information on the most recently published net asset value per share may be obtained from either the Facility Agent at the abovementioned offices or the Management Company.

Documents Available for Inspection

The following documents of the Fund may be obtained free of charge during usual business hours from the offices of the Facilities Agent:

(a) The Articles of Association of the Fund and any amendments thereto;
(b) the Prospectus most recently issued by the Management Company together with any supplements;
(c) the key investor information documents most recently issued by the Management Company, and
(d) the most recently produced annual and half yearly reports relating to the Fund.

The date of this UK Supplement is September 14h, 2026.