



Audited annual report  
**Candriam Equities L**

31 December 2023

01.01.2023 - 31.12.2023  
*SICAV under Luxembourg Law*  
*R.C.S. Luxembourg B-47449*



# Candriam Equities L

SICAV under Luxembourg Law

Audited annual report for the year  
from January 1, 2023 to December 31, 2023



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## Administration of the SICAV

### Board of Directors

#### Chairman

Tanguy DE VILLENFAGNE  
Advisor to the Group Strategic Committee  
Candriam

#### Directors

Thierry BLONDEAU  
Independent Director

Isabelle CABIE  
Global Head of Corporate Sustainability  
Candriam

Catherine DELANGHE  
Independent Director

Pascal DEQUENNE  
Global Head of Operations  
Candriam

Vincent HAMELINK (until 19 april 2023)  
Member of the Group Strategic Committee  
Candriam

Aurore PELLE (since 20 april 2023)  
Senior Internal Auditor  
Candriam

Jean-Yves MALDAGUE  
Managing Director  
Candriam

### Registered Office

5, Allée Scheffer  
L-2520 Luxembourg

### Depositary and Principal Paying Agent

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

### Management Company

Candriam  
SERENITY - Bloc B  
19-21, Route d'Arlon  
L-8009 Strassen

The functions of **Administrative Agent, Domiciliary Agent and Transfer Agent** (including the **Register Holding** business) have been delegated to:

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

Implementation of the **Portfolio Management** activities (except for the sub-fund Candriam Equities L Australia) is performed directly by Candriam and/or by one or more of its branches:

Candriam – Belgian Branch  
58, Avenue des Arts  
B-1000 Bruxelles

Candriam – Succursale française  
40, Rue Washington  
F-75408 Paris Cedex 08

Candriam – UK Establishment  
Aldersgate Street 200,  
London EC1A 4 HD

For Candriam Equities L Australia, the implementation of **Portfolio Management** is delegated to:

Ausbil Investment Management Limited  
Grosvenor Place, Level 27, 225 George Street  
Sydney NSW 2000 Australia

Implementation of the **securities lending and borrowing transactions** is performed by Candriam and/or by one or more of its branches and is partly delegated to:

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

### “Réviseur d’entreprises agréé”

PricewaterhouseCoopers, Société coopérative  
2, Rue Gerhard Mercator  
L-2182 Luxembourg

### Financial Services

in Belgium :  
Belfius Banque S.A.  
11, Place Rogier  
B-1210 Brussels



## Details about the SICAV

Candriam Equities L (the "SICAV") publishes a detailed annual report on its activities, the assets under management. The report includes a combined statement of net assets and a combined statement of changes in net assets expressed in EUR, investment portfolio of each sub-fund and the audit report. This report is available at the registered office of the SICAV and at the registered office of the banks designated to provide financial services in the countries in which the SICAV is sold.

Furthermore, every six months a report is issued containing notably the composition of the portfolio, the number of shares in circulation and the number of shares issued or repurchased since the date of the previous report.

The shares are only available in registered form.

The Annual General Meeting of Shareholders of the SICAV is held each year at the registered office of the SICAV or at any other place in Luxembourg as specified in the convening notice. It shall take place within 6 months after the financial year-end.

Notice for all general meetings is sent to all registered shareholders by registered mail at their address specified in the share registrar, at least 8 days before the General Meeting. These notices indicate the time and place of the General Meeting as well as the conditions of admission, the agenda and the quorum and majority required under Luxembourg law.

In addition, notice shall be published in the "Recueil électronique des sociétés et associations" ("RESA") of the Grand Duchy of Luxembourg and in a Luxembourg newspaper the "Luxemburger Wort" as well as in the press of the countries where the SICAV is marketed if the legislation so requires.

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

The net asset value per share of each share class of each sub-fund, the subscription, redemption or conversion's price of each share class of each subfund may be obtained from the registered office of the SICAV and from the banks designated to provide financial services in the countries where the shares of the SICAV are distributed.

A detailed statement of the movements in the portfolio is available free of charge upon request at the registered office of the SICAV.

The prospectus, Key Information Documents for packaged retail and insurance-based investment products (PRIIPs KIID), the SICAV's Articles of Incorporation and financial reports are available to the public free of charge, at the SICAV's registered office.



## Report of the Board of Directors

### Economic and financial background

At **United States**, in January and February 2023, with the exception of residential real estate, the vast majority of economic indicators remain fairly positive, despite past rate hikes by the Federal Reserve (Fed). On February 1, the latter raised its key rate by 25 basis points to 4.75%. Over these two months, more than 700,000 new jobs were created. The ISM service sector index stood at 55.1 in February. This briefly pushed the ten-year rate above 4% in early March.

However, the closure by the authorities of the 16th largest US bank (Silicon Valley Bank) on March 10, following excessive deposit outflows, and, a few days later, of Signature Bank, have raised fears of contagion to other medium-sized banks. The FDIC, in consultation with the Federal Reserve and the US Treasury, can invoke a " Systemic Risk Exception ", which enables it to insure all the deposits of these two banks (insured deposits (< \$250,000) and uninsured deposits). To avoid a liquidity and contagion problem, the Fed is opening a new borrowing facility (BTFP - Bank Term Funding Program), the special feature of which is that the government bonds used as collateral are valued at par and not at market price. With the authorities in charge, the risk of contagion diminishes and stress on financial markets is reduced. In addition, thanks to reduced tensions in supply chains and lower energy and industrial metal prices, total inflation in the first few months of 2023 is falling steadily (5% in March 2023). Core inflation, on the other hand, is stagnating, hovering around 5.5 . Indeed, while goods inflation is slowing, the "real estate" component of inflation (over 30% of CPI) and that of non-real estate services are not. On the other hand, wage growth is still significant, and is an important input in the price of services. These are the reasons why, despite the developments in March, the Federal Reserve raised its key rate by a further 25 basis points to 5% on March 22. At the end of March, the ten-year rate was 35 basis points lower at 3.48% than at the end of 2022. The stock market grew by 7%.

In the second quarter, as in the rest of the world, the manufacturing sector experienced sluggish growth, while the service sector grew steadily. Over 600,000 new jobs were created during the quarter, while wage growth and underlying inflation slowed only slowly. In June, the unemployment rate was 3.6%. GDP growth in the 2th quarter was 0.5% quarter-on-quarter, after 0.6% in the first quarter. This led the Fed, on May 3, to raise its key rate by 25 basis points to 5.25%.

However, at the FOMC meeting on June 14, the Federal Reserve announced a pause in its tightening cycle. This underpins the performance of the stock market, which rose - particularly in June - by 8.3% over the quarter, driven by the excitement surrounding companies linked to artificial intelligence. The ten-year rate rose by 33 basis points to 3.81%. In the third quarter, despite a tightening of 525 basis points - the final 25 basis point increase was decided on July 26 - and the downgrading of the US debt rating by Fitch in early August, the US economy continued to create over 650,000 jobs over the quarter.

In September, the unemployment rate stood at 3.8%, the ISM service sector index remained above 50 and, in general, other economic indicators remained positive. Despite these good indicators, at its meeting on September 20, the Federal Reserve maintained its key rate unchanged at 5.5%, believing it to be sufficiently restrictive. These developments are leading the market to anticipate that the US will not fall into recession, but that the Fed will keep rates high for longer, despite core inflation falling to 4.1% (in September). During the quarter, caught between the absence of any prospect of recession in the United States and OPEC+ production cuts, the price of oil continued to climb. Both Brent and WTI exceeded \$90 a barrel at the end of September (compared with around \$70 at the beginning of July). All this pushed the ten-year rate up to 4.57% at the end of September, 77 basis points higher than at the end of June. Over the same period, in response to the sharp rise in interest rates, the stock market fell by 3.6%.

At the beginning of October, both the labor market and activity in the services sector remained buoyant. At the end of October, third-quarter GDP growth was announced at 1.2% quarter-on-quarter (the fifth consecutive quarter with growth in excess of 2% quarter-on-quarter on an annualized basis). Against this backdrop, and with the bond risk premium rising sharply, the ten-year yield is almost 5%. However, at the beginning of November, job creation of barely 100,000, mortgage rates above 8% and slightly weaker ISM figures led the markets to think that activity might be slowing more sharply than expected, and that the Federal Reserve might cut its key rate faster than anticipated. This pushes the ten-year rate down. This movement was amplified in mid-December at the Federal Reserve's latest meeting, when its governor gave a more " dovish " message and federal funds rate projections for 2024 were lower than in September. All in all, after this bond rally, the ten-year yield closes the year at 3.87%, three basis points higher than at the end of 2022. The S&P500 ended 2023 up 24.2% on the year at 4770, helped by an 11.2% rise in the fourth quarter.



## Report of the Board of Directors

### Economic and financial background (Continued)

In the euro zone, in the first quarter 2023, while total inflation (6.9% in March) has been falling steadily since its peak in October 2022, core inflation has been rising steadily (5.7% in March) in a context where the labor market remains tight. The unemployment rate is 6.5% and wage growth is strong. In addition, as gas prices continue to fall, the outlook for growth has been revised upwards, as have expectations of terminal rates from the European Central Bank (ECB). On February 2, the latter raised its key rate by 50 basis points to 3%. Despite developments in the US banking system, the ECB raised its key rate by a further 50 basis points to 3.5% at its meeting on March 16.

Indeed, as Christine Lagarde points out, the European banking sector is resilient, well capitalized and has no liquidity problems. The other reason is the ECB's latest macroeconomic forecasts, which show that inflation is likely to remain too high for too long. Over the weekend of March 18 and 19, the Swiss National Bank and the Swiss Financial Market Supervisory Authority are organizing the takeover of Credit Suisse by UBS. All in all, at the end of March, compared with the end of 2022, the German ten-year rate fell by 27 basis points to 2.3%. The stock market grew by 11.9%. In the second quarter, although both the manufacturing and services PMIs deteriorated, the services PMI remained above 50. Compared with the start of the year, consumer confidence is improving, but is becoming more heterogeneous between eurozone countries. As for the job market, it remains buoyant. With salaries growing by around five percent, the growth in the wage bill means that purchasing power is likely to improve as inflation falls. While total inflation continues to slow (5.5% in June), core inflation is showing more downward rigidity (5.5% in June). For this reason, the ECB raised its key rate twice, on May 4 and June 15 respectively, each time by 25 basis points. At the end of June, the ECB's key rate was 4%, the German ten-year yield was 2.39% and the stock market was up 1.0% over the quarter.

In the third quarter, despite differing domestic dynamics between the Eurozone and the United States, European rates moved in tandem with US rates throughout the quarter, but with less amplitude. Although inflation is falling, it remains high (4.3% in September) and core inflation is decelerating even more slowly (4.5%). This is why the ECB raised rates twice more during the quarter (first on July 27 to 4.25%, then on September 14 to 4.5%). In this environment of higher interest rates, business is slowing down. While the PMI index for the eurozone manufacturing sector has been below 50 for the past fourteen months, in August the PMI for the services sector also fell below this threshold. It's becoming clear that growth in the eurozone will be sluggish at best, especially as production cuts by OPEC+ countries weigh on the price of Brent crude. Indeed, third-quarter GDP growth showed a quarter-on-quarter contraction of 0.1%. Overall, between the third quarter of 2023 and the third quarter of 2022, GDP in the eurozone rose by just 0.1%. Although partially offset by government aid, the main reason for this lack of growth is the energy shock, which has weighed heavily on household purchasing power and business activity. The only really positive element in the eurozone economy is the labor market, which remains buoyant. Unemployment remains low at 6.5% (in September) and wage growth is still fairly high. This helps household consumption to hold up and provides support for growth. Overall, the German ten-year yield rose by 42 basis points over the quarter to 2.81%. The stock market lost 4.6% over the same period.

The fourth quarter was marked by PMI surveys for both the manufacturing and services sectors, which deteriorated further (the composite index averaged 47 over the quarter). However, with inflation falling and wages continuing to rise, this should enable households to regain purchasing power. At the end of October, German ten-year yields followed the trend in US yields, reaching almost 3%. As in the United States, weak growth is prompting expectations of a faster cut in ECB key rates, especially as November's inflation and core inflation figures are down to 2.4% and 3.5% respectively. At the last ECB meeting, however, the President of the ECB indicated that this was not the time to cut key rates. In fact, the labor market remains buoyant and wage growth is still relatively high, which is having an impact on service prices in particular. All in all, after the bond rally, the ten-year yield closes the year at 2%, 56 basis points lower than at the end of 2022. The stock market ended 2023 up 16% for the year, helped by a 7.5% rise in the fourth quarter

**Candriam Equities L Biotechnology - Candriam Equities L Global Demography - Candriam Equities L Life Care - Candriam Equities L Meta Globe - Candriam Equities L Oncology Impact - Candriam Equities L Robotics & Innovative Technology - Candriam Equities L EMU Innovation - Candriam Equities L Europe Innovation - Candriam Equities L Europe Optimum Quality - Candriam Equities L Emerging Markets**

### Global

Global equity markets started the year on a positive note. After an incredibly difficult 2022, investors started to price a more benign inflation environment in January, supporting interest-rate sensitive sectors, such as consumer discretionary and information technology. The market uptrend was temporarily interrupted by the collapse of Silicon Valley Bank and the struggle of Crédit Suisse, but investors basically embraced better-than-expected economic growth figures, easing inflation pressures and the first prospect of less monetary tightening. Information technology jumped over the quarter, together with communication services and consumer discretionary, whereas the defensive consumer staples and health care sectors underperformed.

The strong uptrend of the first quarter continued into the second one. Growth sectors strongly outperformed value on the back of weakening, but reasonable economic growth data, more visibility on central banks' monetary tightening and plateauing long-term rates. Information technology was the best performing sector over the quarter, mostly driven by positive sentiment around the development of artificial intelligence solutions. Also consumer discretionary continued to outperform the broader market quite significantly. Financials in the meantime started to recover from the regional banking crisis in the US and Crédit Suisse uncertainty, though still underperforming the broader equity market. The most remarkable performance over the quarter nevertheless came from the so-called Magnificent 7 that jumped another 30% bringing their half year close to close to 85%.

After two consecutive quarters of strong gains, global equity markets had to give away some ground in the third quarter of the year. This time growth stocks underperformed, whereas value was quite resilient. The main reason behind the equity market correction was the strong bond market sell-off due to rising interest rates. In addition, investors were spooked by the strong jump in energy prices on the back of Russia's and Saudi-Arabia's oil output cut extension. Without surprise, energy strongly outperformed over the quarter, even gaining more than 10%. Interest-rate sensitive sectors, such as information technology and utilities, were the main underperformers, whereas the defensive health care sector outperformed. Smaller companies continued to underperform large caps.



## Report of the Board of Directors

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### Global (continued)

The last quarter of the year started on a false note. After reaching a high for the year in the third quarter, investors became worried about rising oil prices, a weak Chinese economy and especially a surprisingly strong US labour market. Investors feared the strong labour market might have put an end to cooling down inflation pressures, while the Federal Reserve stated to raise interest rates as long as needed to bring inflation down towards the targeted level. A strong US dollar and a spike in long-term interest rates penalized equity markets strongly in October. Fortunately, there was light at the end of the tunnel. A series of softer inflation prints in the US (and Europe) was enough to remove the fears and make investors shift to expect pre-emptive cuts from the central banks. That view was then confirmed the December Federal Open Market Committee meeting where the latest projections suggested at least three rate cuts over 2024. Investors finally got their year-end present after all with equity markets delivering a more than 10% gain in the final quarter.

To sum up 2023, it was an impressive year for equity markets. The MSCI World All Countries Net Return USD Index ended the year with a 22% gain. Developed markets outperformed emerging markets by more than 10%, as the latter were mainly penalized by the significant Chinese equity market drop. Information technology was the strongest outperformer over the year, driven by the artificial intelligence revolution and Magnificent 7, followed by communication services and consumer discretionary. The defensive utilities, consumer staples and health care sectors underperformed.

### Europe

European equities ended the first quarter of 2023 significantly higher, despite continued inflation pressures, a rapid increase in long-term interest rates and the turmoil in the banking sector. Investors welcomed better-than-expected economic figures on the back of weak energy prices and a strong resilience of services activity. The European Central Bank meanwhile updated its macroeconomic expectations with higher growth and lower inflation. In this context, European stocks delivered a more than 10% gain over the quarter. Information technology, consumer discretionary and communication services outperformed the broader European market over the quarter. Energy and real estate were the sole sectors posting a negative quarterly performance.

The European equity market continued their uptrend in the second quarter. Investors' focus remained on inflation and economic figures. The latter appeared resilient at first sight, but the outlook for the manufacturing sector became quite bleak. Core inflation remained above 5%, urging the central bank for another rate hike. The European market gained around 2.3%, driven by the continuing strength of information technology and the rebound of the financial sector. Communication services and real estate were particularly weak over the quarter.

The third quarter was kind of reality check for investors, with European equities losing around 2%. Following the strong rally in the first half of the year, the deterioration of the region's growth data with continued inflationary pressures, scared investors off. PMI's dropped below 50 and the CPI remained well above the ECB's target on the back of rising oil and gas prices. It didn't come as a surprise in that context that energy was the best performing sector, even gaining almost 14% over the quarter. Also real estate performed well, while consumer discretionary and information technology were subject to profit taking after their impressive gain in the first six months of the year. The defensive health care sector also outperformed over the period.

After the reality check in the third quarter and a weak October-month on the back of surging yields and increased geopolitical uncertainty, investors received their year-end present. European equities gained more than 6.5% in the last three months of the year, recouping all the losses made during the summer correction. Markets welcomed slowing inflation figures, combined with a slowing, but resilient global economy that increased the likelihood of more accommodative central banks in the developing world. The German 10-year yield dropped almost 90 bps in that context, supporting interest-rate sensitive sectors such as real estate, information technology, utilities and consumer discretionary. Energy lagged significantly, dropping around 4%, while health care's performance was flat over the last quarter.

### US

US equities started the year on a positive note: activity indicators (PMI's) surprised positively, labour market data remained resilient and the consumer price index report showed easing inflation pressures. The sole risk that temporarily appeared was related to the US' regional banking sector. The collapse of Silicon Valley Bank was the second largest banking failure in US history and led to a sell-off in the banking sector. Despite that, the Federal Reserve raised its key interest rate by 25 bps in March. In that context, US equities gained over 7% over the quarter, driven by the strong performance of among others information technology, communication services and consumer discretionary. Together with financials and energy, the defensive health care sector was one of the main underperforming sectors.

The second quarter was even stronger than the first quarter, almost entirely driven by the largest growth stocks, and especially technology-related stocks that received a boost by the artificial intelligence revolution. The so-called Magnificent 7 added another 30% to their performance bringing their half year close to close to 85%. Besides that, US inflation fell sharply to around 4% thanks to base effects from oil prices that came down significantly. US markets ended the second quarter with an 8.6% gain and three sectors outperforming the broader market, namely information technology, consumer discretionary and communication services. Energy and utilities were the sole sectors with a negative quarterly performance.

After two consecutive positive quarters, markets experienced a reality check. Investors were worried about weaker-than-expected economic data, fears for "higher for longer" rates to tame sticky inflation and the large US fiscal deficit. That resulted in a sell-off of bond markets and triggered profit taking on more expensive growth stocks. In that context, utilities, real estate, consumer staples and information technology were severely penalized. Energy strongly outperformed over the quarter on the back of rising energy prices following Russia's and Saudi-Arabia's oil output cut extension.

The final quarter of the year, although starting on a false note, was the strongest quarter of the year with an almost 12% gain for the S&P 500. Fears for "higher for longer" rates eased following a series of softer inflation prints. Market started pricing interest rate cuts in 2024, which was confirmed by the central bank. The last meeting of the year suggested three rate cuts for 2024 and strongly supported growth stocks. Besides the strong real estate rebound, anticipating 2024's interest rate cuts, information technology was the best performing sector once again, followed by finance, industrials, consumer discretionary and communication services. The sole sector ending the year with a negative quarterly return was energy.





## Report of the Board of Directors

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### US (continued)

To conclude, it was a great year for US equities, but with a lot of performance dispersion.

### Emerging Markets

In 2023, Emerging Markets saw continued challenges and volatilities. Against the backdrop of global liquidity conditions, the Fed maintained a steadfast tightening policy throughout the year, marked by multiple rate hikes. Facing consequences from deposit withdrawals, US regional banks were the first casualties of higher rates and tighter liquidity conditions. With such events, broader weakness in the financial sector had a spill-over on EM financials as well, the majority of which eventually recovered as fundamentals stayed intact.

China concluded the year with historically low valuations, defying investors' anticipations of a robust post-Covid recovery. Instead, the country confronted multiple endogenous risks, notably a widespread real estate crisis putting pressure on the refinancing capacity of major property companies such as Evergrande and Country Garden. Additionally, the under-regulated shadow banking sector formed another hurdle to China's economic growth. The government began rolling out a series of stimulus in the second half of the year, but the accumulating policies were not meaningful enough to rekindle investors' enthusiasm. Geopolitical conflicts were another challenge, yet China delivered a more conciliatory tone to the US mitigating the stress. On the other hand, India gained favour as an outstanding global player. The country managed to achieve resilient economic growth, positioning as a competitive production centre in the global supply chain. India's positive development trajectory was affirmed by both its central bank and international organizations such as the World Bank, upgrading the country's GDP growth forecast.

On the thematic front, Artificial Intelligence (AI) emerged as the latest and most influential technology trend. This proved particularly advantageous for export-oriented Taiwan and South Korea, enabling them to regain momentum in the face of global demand weakness. Effectively, the Asia-Pacific region possesses a good coverage of the semi-conductor supply chain, gathering several global chip leaders. Moreover, the year-end saw recovery signs against the downturn cycle, as the industrial production was picking up in the region.

Elsewhere among EM countries, central banks demonstrated effectiveness to curb inflation. Many EM countries, such as some in LatAm, entered rate cutting and further easing cycles earlier than their DM peers. Brazil's economy showcased resilience regardless of some initial concerns over the elections, and Mexico continued to reap the benefits from the US near-shoring effect. In Emerging Europe, recovery was also observed in Poland and Greece.

As the final chapter of the year unfolded in December, the narrative took on new dimensions. After a period of rises and stagnation, the Fed eventually adopted a more dovish posture for rate policy, signalling an expected peak of the hiking cycle and potential rate cuts in 2024. The welcomed shift boosted market performance across regions. However, questions lingered, including the US' enduring debt deficit. The unfortunate conflicts around the Red Sea added to volatilities. As a result, commodity pockets witnessed some significant movements, and the global supply chain, already under strain, became more delicate.

Overall 2023, continued to remain a year of large deviation in market performance of EM regions. On one hand broader EM markets outside China displayed strong resilience tracking gains in global markets, at the same time the slowdown concerns in China weighed on China equity returns.

## Candriam Equities L Australia

### 2023 Market Review

The Candriam Equities L - Australia portfolio generated performance for the year ending December 2023 of +9.98% (net of fees) versus the benchmark return of +8.42%, as measured by the S&P/ASX All Ordinaries Index.

At a sector level this year, the Portfolio benefited from the overweight positions in the Materials and Information Technology sectors. The underweight positions in the Industrials, Communication Services and Utilities sectors also added value. Conversely, the overweight positions in the Energy, Consumer Staples, Health Care and Financials sectors detracted value. The underweight positions in the Consumer Discretionary and Real Estate sectors also detracted value.

At a stock level, the overweight positions in James Hardie, Xero, Block, Goodman Group, BlueScope Steel, Aristocrat Leisure, Evolution Mining, NextDC, Sandfire Resources and QBE Insurance contributed to relative performance. Conversely, the overweight positions in Treasury Wine Estates, IGO, IDP Education, Lynas Rare Earths, 29Metals, ResMed and Allkem detracted from relative performance. The nil positions in Fortescue Metals, Wesfarmers and REA Group also detracted value.

The economy is slowing, as intended, and we see economic growth below trend in 2024, but with some support from resources demand especially, that will see Australia avoid recession. In this environment, we believe earnings growth will be harder to find, but we still expect there to be pockets of growth. On aggregate, we see earnings growth for FY24<sup>1</sup> at a similar level to FY23. There is room for some upward surprise in certain sectors as Australia's economy remains relatively resilient and is operating near full employment.

On EPS growth, FY23 earnings growth was slightly down, which compared to FY21 (+30%) and FY22 (+21%) where earnings were driven by massive fiscal and monetary stimulus, represented a huge stall in earnings growth as the market adjusted to the normalisation of rates. If FY23 could be described as a 'growth pause' in earnings, we would suggest FY24 will be another flat year of earnings growth that can best be described as a 'consolidation' as balance sheets and P&Ls normalise for a future where interest rates are more normal, and only genuine growth in earnings matters.

<sup>1</sup> It is important to note that Australia reports financial years that end in 30 June each year, which is different to Europe where financials are reported on a calendar year basis ending on 31 December. For ease of reference, references to the full year 12-months of results that are reported as at 30 June each year. Market consensus numbers also follow this pattern.



## Report of the Board of Directors

### Candriam Equities L Australia (Continued)

#### Outlook

Our reading of the economy is that with economic growth harder to come by in 2024, so will be the case for system earnings growth. However, the average outcome for EPS growth in FY24 and into FY25 masks several areas in the economy where we expect to see growth.

From the perspective of cyclicalities, the market is currently balanced on edge, between a negative view based on household spending that is being impacted by high inflation, higher rates, utilities and food costs; and a positive outlook that sees households adjusting because of a relatively resilient economy and a cushion of excess savings. In cyclical sectors there are some names that still stand out, but overall, we remain cautious. In this market, with a subtrend economic growth outlook, Ausbil favours earnings growth from GDP agnostic sectors and stocks, and quality leaders with demonstrated operational and pricing leverage. Quality telecommunications are expected to perform in this environment.

From the viewpoint of opportunity to generate growth, we expect earnings growth to come from fundamental demand generated by a number of themes, including: demand for resources from China; the shift to decarbonisation and the electrification of things; global changes in energy markets; and specific opportunities in technology companies that are cashflow positive and can generate positive earnings growth. Because growth opportunities are notionally longer in duration, the increase in real rates means that good opportunities for earnings growth in this space are cheaper than before the rate rises.

In aggregate terms, the market is expecting little earnings growth to June 30 financial year 2024. On balance, we see potential upside relative to consensus driven by better than forecast commodity prices, particularly for the bulks and energy. In the non-resource sectors, better earnings growth outcomes are likely in the health care, technology, telecommunications, commercial services, and to a lesser extent the banking sector.

While rising rates had punished technology names across 2022, the plateauing and normalisation of rates as well as cost-out programs saw them re-rating in 2023. Ausbil sees technology as a potential earnings rerate in FY24, however, as most are long duration growth assets, the impact will be variable.

Value is also emerging in quality REITs, particularly those with exposure to data centres and housing given population growth. Certain names within the infrastructure space are also offering value following the recent downward adjustment in prices.

The overall valuation of the Australian equity market is currently sitting close to long-term average multiples on a suppressed earnings outlook. Despite this, our conclusion on earnings growth opportunities heading into calendar 2024 is that the average never really tells the story on its own. Consensus currently expects earnings contraction in FY24 of -4.3% for the S&P/ASX 200, then a return to earnings growth of +4.3% in FY25, however we believe that earnings growth well above system can be achieved in some sectors in FY24, and through key quality opportunities looking ahead.

#### Candriam Equities L Risk Arbitrage Opportunities

2023 was a mixed year for M&A arbitrage funds in general. The first half of the year was marked by a fairly low level of M&A activity and two successive deal failures in the United States: First Horizon Corp and Tegna Inc. These failures caused a deterioration in returns on the strategy, mainly in the first quarter. The second half of the year saw an upturn in performance due to the rebound in M&A activity, stabilising interest rates and the easing of pressure from regulators.

This recovery was mainly driven by North America, which saw total deal volume exceed \$1,000 billion over the last 6 months of the year, placing this half-year among the five best of the last two decades in terms of volume. Deals in excess of \$20 billion played a key role, with the sector themes of technology, energy and healthcare as the main drivers of this recovery.

The improvement in the regulatory environment, less hostile following the US regulator's defeat in the two lawsuits relating to the Activision/Microsoft and Horizon Therapeutics/Amgen deals, contributed greatly to the wave of announcements at the end of the year. The stabilisation of interest rates also played a positive role.

In Europe, however, the recovery was not as marked, with the number of announced mergers and acquisitions not following the same trend as in North America.

At Candriam, there was also a change in the management team at the end of the first quarter following the departure of the two senior managers who had been in place since 2018. The significant recovery in the fund's performance following the arrival of the new head of management is therefore explained by these elements inherent in the strategy, but also by the marked improvement in the investment process. Following this management change, a new investment strategy was also introduced to the Candriam Risk Arbitrage Opportunities fund. This concerns special situations in which a maximum of 15% of AuM may be invested in companies that are the subject of pre-announced takeovers, either by the company itself, which means that it is being put up for sale, or by the recognised press specialising in the field, which indicates that the company is going to be taken over. The aim of this investment pocket is to introduce a new outperformance driver into the fund.

The performance indicators for our strategy are currently in the green and we expect 2024 to follow on from the second half of 2023, which bodes well for our fund. We are positioned to benefit from this environment, and the expected rates of return should enable us to achieve our management objectives.

The fund ended the year in negative territory, despite a second half that was more in line with performance targets.

None of the issuers in the portfolio has suffered a credit event.



## Report of the Board of Directors

### Candriam Equities L Risk Arbitrage Opportunities (Continued)

#### Credit Derivatives

The portfolio did not use credit derivatives during the period.

The performance of the units is as follows:

<i>Entity Name</i>	<i>Entity Currency</i>	<i>Return Begin date</i>	<i>Return End Date</i>	<i>NAV per share return</i>	<i>Ref. NAV per share return</i>	<i>Net Excess Return</i>
<i>Candriam Equities L Risk Arbitrage Opportunities - C Cap</i>	<i>EUR</i>	<i>30/12/2022</i>	<i>29/12/2023</i>	<i>- 1.98%</i>	<i>3.29%</i>	<i>-5.27%</i>
<i>Candriam Equities L Risk Arbitrage Opportunities - Z Cap</i>	<i>EUR</i>	<i>30/12/2022</i>	<i>29/12/2023</i>	<i>-0.36%</i>	<i>3.29%</i>	<i>-3.65%</i>
<i>Candriam Equities L Risk Arbitrage Opportunities - I Cap</i>	<i>EUR</i>	<i>30/12/2022</i>	<i>29/12/2023</i>	<i>- 1.39%</i>	<i>3.29%</i>	<i>-4.68%</i>

*Past performance is not indicative of future performance.*

The Board of Directors

Luxembourg, March 28, 2024.

Audit Report To be added

Audit Report To be added

Audit Report To be added



## Statement of net assets as at December 31, 2023

		Candriam Equities	Candriam Equities	Candriam Equities
		L Australia	L Biotechnology	L Emerging Markets
		AUD	USD	EUR
<b>Assets</b>				
Investment portfolio at market value	2a	228,462,253	1,510,110,505	952,332,995
Cash at bank and broker	13	758,966	59,427,725	23,082,959
Receivable for investments sold		0	3,970,438	2,404,605
Receivable on subscriptions		167,379	53,765,425	212,231
Receivable on CFD		0	0	0
Dividends receivable on CFD	2f	0	0	0
Receivable on reverse repurchase agreements	9	0	0	0
Interest and dividends receivable, net		87,743	116,350	1,111,076
Net unrealised appreciation on forward foreign exchange contracts	2g,h	0	2,574,794	0
Net unrealised appreciation on futures	2e	0	0	0
Other assets		0	23,625	0
<b>Total assets</b>		<b>229,476,341</b>	<b>1,629,988,862</b>	<b>979,143,866</b>
<b>Liabilities</b>				
Bank overdraft		0	230,496	2
Payable on investments purchased		0	36,475,398	0
Payable on redemptions		164,483	3,082,178	4,023,978
Payable on CFD		0	0	0
Dividends payable on CFD	7	0	0	0
Net unrealised depreciation on forward foreign exchange contracts	2g,h	0	0	2,135
Net unrealised depreciation on futures	2e	0	0	0
Net unrealised depreciation on CFD	2f	0	0	0
Management fees payable	3	224,970	1,424,247	504,592
Operating and Administrative Expenses payable	5	49,431	324,704	251,149
Performance fees payable	6	0	1,307,841	0
Subscription tax payable	7	93,631	494,461	332,320
Other liabilities	8	4	36,764	4,324,238
<b>Total liabilities</b>		<b>532,519</b>	<b>43,376,089</b>	<b>9,438,414</b>
<b>Total net assets</b>		<b>228,943,822</b>	<b>1,586,612,773</b>	<b>969,705,452</b>



## Statement of net assets as at December 31, 2023

		Candriam Equities L EMU Innovation	Candriam Equities L Europe Innovation	Candriam Equities L Europe Optimum Quality
		EUR	EUR	EUR
<b>Assets</b>				
Investment portfolio at market value	2a	44,607,984	865,126,164	544,683,476
Cash at bank and broker	13	3,346,721	35,970,568	18,459,292
Receivable for investments sold		0	0	0
Receivable on subscriptions		0	388,836	165,988
Receivable on CFD		0	0	0
Dividends receivable on CFD	2f	0	0	0
Receivable on reverse repurchase agreements	9	0	0	0
Interest and dividends receivable, net		562	385,858	268,679
Net unrealised appreciation on forward foreign exchange contracts	2g,h	0	0	0
Net unrealised appreciation on futures	2e	0	0	2,636,250
Other assets		65,956	166,995	542,441
<b>Total assets</b>		<b>48,021,223</b>	<b>902,038,421</b>	<b>566,756,126</b>
<b>Liabilities</b>				
Bank overdraft		0	90,282	0
Payable on investments purchased		0	0	0
Payable on redemptions		0	1,479,966	629,817
Payable on CFD		0	0	0
Dividends payable on CFD	7	0	0	0
Net unrealised depreciation on forward foreign exchange contracts	2g,h	0	42,960	0
Net unrealised depreciation on futures	2e	0	0	0
Net unrealised depreciation on CFD	2f	0	0	0
Management fees payable	3	5,965	1,018,445	757,616
Operating and Administrative Expenses payable	5	7,900	206,688	139,013
Performance fees payable	6	0	0	0
Subscription tax payable	7	1,240	559,365	526,653
Other liabilities	8	0	0	0
<b>Total liabilities</b>		<b>15,105</b>	<b>3,397,706</b>	<b>2,053,099</b>
<b>Total net assets</b>		<b>48,006,118</b>	<b>898,640,715</b>	<b>564,703,027</b>





## Statement of net assets as at December 31, 2023

		Candriam Equities L Global Demography	Candriam Equities L Life Care	Candriam Equities L Meta Globe
		EUR	USD	USD
<b>Assets</b>				
Investment portfolio at market value	2a	1,482,102,718	713,440,334	142,257,036
Cash at bank and broker	13	87,110,274	16,238,616	7,088,065
Receivable for investments sold		0	0	0
Receivable on subscriptions		2,187,757	0	0
Receivable on CFD		0	0	0
Dividends receivable on CFD	2f	0	0	0
Receivable on reverse repurchase agreements	9	0	0	0
Interest and dividends receivable, net		849,973	475,367	30,809
Net unrealised appreciation on forward foreign exchange contracts	2g,h	0	0	0
Net unrealised appreciation on futures	2e	0	0	0
Other assets		39,936	0	0
<b>Total assets</b>		<b>1,572,290,658</b>	<b>730,154,317</b>	<b>149,375,910</b>
<b>Liabilities</b>				
Bank overdraft		0	0	0
Payable on investments purchased		0	0	0
Payable on redemptions		1,190,449	19,547	0
Payable on CFD		0	0	0
Dividends payable on CFD	7	0	0	0
Net unrealised depreciation on forward foreign exchange contracts	2g,h	0	0	0
Net unrealised depreciation on futures	2e	0	0	0
Net unrealised depreciation on CFD	2f	0	0	0
Management fees payable	3	1,867,777	2,228	27
Operating and Administrative Expenses payable	5	368,746	50,008	18,235
Performance fees payable	6	0	0	0
Subscription tax payable	7	1,367,048	18,277	3,736
Other liabilities	8	0	0	0
<b>Total liabilities</b>		<b>4,794,020</b>	<b>90,060</b>	<b>21,998</b>
<b>Total net assets</b>		<b>1,567,496,638</b>	<b>730,064,257</b>	<b>149,353,912</b>



## Statement of net assets as at December 31, 2023

		Candriam Equities L Oncology Impact	Candriam Equities L Risk Arbitrage Opportunities	Candriam Equities L Robotics & Innovative Technology
		USD	EUR	USD
<b>Assets</b>				
Investment portfolio at market value	2a	1,833,721,726	19,483,544	1,779,881,479
Cash at bank and broker	13	43,394,307	11,933,033	54,182,365
Receivable for investments sold		0	378,520	0
Receivable on subscriptions		4,143,786	0	646,677
Receivable on CFD		0	233,291	0
Dividends receivable on CFD	2f	0	121,874	0
Receivable on reverse repurchase agreements	9	0	21,100,086	0
Interest and dividends receivable, net		967,377	138,126	284,002
Net unrealised appreciation on forward foreign exchange contracts	2g,h	5,239,533	32,599	413,106
Net unrealised appreciation on futures	2e	0	0	0
Other assets		0	0	1,000
<b>Total assets</b>		<b>1,887,466,729</b>	<b>53,421,073</b>	<b>1,835,408,629</b>
<b>Liabilities</b>				
Bank overdraft		23,168,103	0	0
Payable on investments purchased		0	3,208,364	0
Payable on redemptions		1,756,736	80,523	676,105
Payable on CFD		0	288,428	0
Dividends payable on CFD	7	0	32,951	0
Net unrealised depreciation on forward foreign exchange contracts	2g,h	0	0	0
Net unrealised depreciation on futures	2e	0	47,950	0
Net unrealised depreciation on CFD	2f	0	113,741	0
Management fees payable	3	835,531	2,102	349,530
Operating and Administrative Expenses payable	5	307,131	8,173	169,525
Performance fees payable	6	0	0	0
Subscription tax payable	7	89,668	1,241	62,626
Other liabilities	8	0	0	0
<b>Total liabilities</b>		<b>26,157,169</b>	<b>3,783,473</b>	<b>1,257,786</b>
<b>Total net assets</b>		<b>1,861,309,560</b>	<b>49,637,600</b>	<b>1,834,150,843</b>



Statement of net assets as at December 31, 2023

		Combined
		EUR
<b>Assets</b>		
Investment portfolio at market value	2a	9,462,363,211
Cash at bank and broker	13	343,618,777
Receivable for investments sold		6,377,420
Receivable on subscriptions		56,066,716
Receivable on CFD		233,291
Dividends receivable on CFD	2f	121,874
Receivable on reverse repurchase agreements	9	21,100,086
Interest and dividends receivable, net		4,504,836
Net unrealised appreciation on forward foreign exchange contracts	2g,h	7,480,599
Net unrealised appreciation on futures	2e	2,636,250
Other assets		837,620
<b>Total assets</b>		<b>9,905,340,680</b>
<b>Liabilities</b>		
Bank overdraft		21,272,196
Payable on investments purchased		36,228,233
Payable on redemptions		12,516,549
Payable on CFD		288,428
Dividends payable on CFD	7	32,951
Net unrealised depreciation on forward foreign exchange contracts	2g,h	45,095
Net unrealised depreciation on futures	2e	47,950
Net unrealised depreciation on CFD	2f	113,741
Management fees payable	3	6,659,575
Operating and Administrative Expenses payable	5	1,799,414
Performance fees payable	6	1,183,942
Subscription tax payable	7	3,451,098
Other liabilities	8	4,357,522
<b>Total liabilities</b>		<b>87,996,694</b>
<b>Total net assets</b>		<b>9,817,343,986</b>



## Statement of changes in net assets for the year ended December 31, 2023

		Candriam Equities L Australia	Candriam Equities L Biotechnology	Candriam Equities L Emerging Markets
		AUD	USD	EUR
<b>Net assets at the beginning of the year</b>		<b>227,441,918</b>	<b>1,767,239,462</b>	<b>1,204,443,591</b>
<b>Income</b>				
Dividends, net	2k	7,590,575	7,195,847	18,402,762
Interest received on CFD		0	0	0
Interest on securities lending	10	0	87,455	13,588
Bank interest		36,149	1,273,539	743,580
Dividends received on CFD		0	0	0
Interest on reverse repurchase agreements		0	0	0
Other income		68,630	2	3,620
<b>Total income</b>		<b>7,695,354</b>	<b>8,556,843</b>	<b>19,163,550</b>
<b>Expenses</b>				
Management fees	3	2,777,098	16,712,199	6,365,768
Performance fees	6	0	2,128,950	0
Operating and Administrative Expenses	5	594,614	3,936,166	3,605,526
Depository fees	5	10,114	69,539	54,679
Subscription tax	7	156,145	929,848	556,704
Transaction costs	2j	88,382	698,781	2,250,552
Interest paid on CFD		0	0	0
Bank interest		0	20,543	900
Other expenses		0	0	932
<b>Total expenses</b>		<b>3,626,353</b>	<b>24,496,026</b>	<b>12,835,061</b>
<b>Net income / (loss) from investments</b>		<b>4,069,001</b>	<b>(15,939,183)</b>	<b>6,328,489</b>
Net realised gain / (loss) on sales of investments	2b	11,272,130	74,400,802	(30,818,779)
Net realised gain / (loss) on options	2e	0	0	0
Net realised gain / (loss) on forward foreign exchange contracts	2g	0	(541,792)	(179,431)
Net realised gain / (loss) on futures	2e	0	0	0
Net realised gain / (loss) on CFD	2f	0	0	0
Net realised gain / (loss) on foreign exchange		(16,231)	(4,493,236)	(27,419,205)
<b>Net realised gain / (loss)</b>		<b>15,324,900</b>	<b>53,426,591</b>	<b>(52,088,926)</b>
Change in net unrealised appreciation / depreciation on investments	2a	6,808,355	47,223,575	82,734,584
Change in net unrealised appreciation / depreciation on forward foreign exchange contracts	2g	0	2,478,295	(1,601)
Change in net unrealised appreciation / depreciation on futures	2e	0	0	0
Change in net unrealised appreciation / depreciation on CFD	2f	0	0	0
<b>Net increase / (decrease) in net assets as a result of operations</b>		<b>22,133,255</b>	<b>103,128,461</b>	<b>30,644,057</b>
<b>Evolution of the capital</b>				
Subscriptions of shares		38,136,218	312,199,202	210,492,585
Redemptions of shares		(58,032,800)	(595,050,951)	(466,896,487)
Dividends distributed	11	(734,769)	(903,401)	(8,978,294)
Currency translation		0	0	0
<b>Net assets at the end of the year</b>		<b>228,943,822</b>	<b>1,586,612,773</b>	<b>969,705,452</b>



## Statement of changes in net assets for the year ended December 31, 2023

		Candriam Equities L EMU Innovation	Candriam Equities L Europe Innovation	Candriam Equities L Europe Optimum Quality
		EUR	EUR	EUR
<b>Net assets at the beginning of the year</b>		<b>58,916,622</b>	<b>1,241,599,848</b>	<b>791,623,230</b>
<b>Income</b>				
Dividends, net	2k	739,990	19,024,254	13,159,086
Interest received on CFD		0	0	0
Interest on securities lending	10	1,212	102,055	41,666
Bank interest		69,796	1,282,792	538,268
Dividends received on CFD		0	0	0
Interest on reverse repurchase agreements		0	1,188	0
Other income		50	1,771	1,616
<b>Total income</b>		<b>811,048</b>	<b>20,412,060</b>	<b>13,740,636</b>
<b>Expenses</b>				
Management fees	3	76,119	13,615,805	9,541,654
Performance fees	6	0	0	0
Operating and Administrative Expenses	5	94,115	3,009,584	1,787,749
Depository fees	5	2,173	51,144	27,875
Subscription tax	7	5,015	911,275	756,039
Transaction costs	2j	36,651	931,436	678,509
Interest paid on CFD		0	0	0
Bank interest		557	35	67,515
Other expenses		99	1	213
<b>Total expenses</b>		<b>214,729</b>	<b>18,519,280</b>	<b>12,859,554</b>
<b>Net income / (loss) from investments</b>		<b>596,319</b>	<b>1,892,780</b>	<b>881,082</b>
Net realised gain / (loss) on sales of investments	2b	2,485,854	32,861,068	(656,340)
Net realised gain / (loss) on options	2e	0	0	(61,000)
Net realised gain / (loss) on forward foreign exchange contracts	2g	0	20,535	0
Net realised gain / (loss) on futures	2e	0	1	(43,631,649)
Net realised gain / (loss) on CFD	2f	0	0	0
Net realised gain / (loss) on foreign exchange		(100,205)	1,277,263	6,634,410
<b>Net realised gain / (loss)</b>		<b>2,981,968</b>	<b>36,051,647</b>	<b>(36,833,497)</b>
Change in net unrealised appreciation / depreciation on investments	2a	4,468,367	24,665,323	45,726,617
Change in net unrealised appreciation / depreciation on forward foreign exchange contracts	2g	0	(40,807)	0
Change in net unrealised appreciation / depreciation on futures	2e	0	0	(1,583,910)
Change in net unrealised appreciation / depreciation on CFD	2f	0	0	0
<b>Net increase / (decrease) in net assets as a result of operations</b>		<b>7,450,335</b>	<b>60,676,163</b>	<b>7,309,210</b>
<b>Evolution of the capital</b>				
Subscriptions of shares		2,044,042	286,957,356	20,386,048
Redemptions of shares		(20,404,881)	(684,940,692)	(250,218,432)
Dividends distributed	11	0	(5,651,960)	(4,397,029)
Currency translation		0	0	0
<b>Net assets at the end of the year</b>		<b>48,006,118</b>	<b>898,640,715</b>	<b>564,703,027</b>



## Statement of changes in net assets for the year ended December 31, 2023

		Candriam Equities L Global Demography	Candriam Equities L Life Care	Candriam Equities L Meta Globe
		EUR	USD	USD
<b>Net assets at the beginning of the year</b>		<b>1,323,111,408</b>	<b>611,819,118</b>	<b>4,168,458</b>
<b>Income</b>				
Dividends, net	2k	18,886,605	7,451,626	221,940
Interest received on CFD		0	0	0
Interest on securities lending	10	311	2,558	0
Bank interest		1,602,178	378,571	78,076
Dividends received on CFD		0	0	0
Interest on reverse repurchase agreements		0	0	0
Other income		940	803	8
<b>Total income</b>		<b>20,490,034</b>	<b>7,833,558</b>	<b>300,024</b>
<b>Expenses</b>				
Management fees	3	20,008,034	12,219	167
Performance fees	6	0	0	0
Operating and Administrative Expenses	5	3,977,892	418,608	66,077
Depository fees	5	63,893	28,067	1,958
Subscription tax	7	1,847,620	65,535	6,909
Transaction costs	2j	1,542,905	473,845	27,904
Interest paid on CFD		0	0	0
Bank interest		69,908	14,442	431
Other expenses		0	123,771	0
<b>Total expenses</b>		<b>27,510,252</b>	<b>1,136,487</b>	<b>103,446</b>
<b>Net income / (loss) from investments</b>		<b>(7,020,218)</b>	<b>6,697,071</b>	<b>196,578</b>
Net realised gain / (loss) on sales of investments	2b	40,526,829	(16,151,363)	1,835,977
Net realised gain / (loss) on options	2e	0	0	0
Net realised gain / (loss) on forward foreign exchange contracts	2g	0	10,396	1,159,665
Net realised gain / (loss) on futures	2e	0	0	0
Net realised gain / (loss) on CFD	2f	0	0	0
Net realised gain / (loss) on foreign exchange		(14,675,572)	(2,977,093)	(769,187)
<b>Net realised gain / (loss)</b>		<b>18,831,039</b>	<b>(12,420,989)</b>	<b>2,423,033</b>
Change in net unrealised appreciation / depreciation on investments	2a	175,279,395	41,362,674	18,140,238
Change in net unrealised appreciation / depreciation on forward foreign exchange contracts	2g	0	0	0
Change in net unrealised appreciation / depreciation on futures	2e	0	0	0
Change in net unrealised appreciation / depreciation on CFD	2f	0	0	0
<b>Net increase / (decrease) in net assets as a result of operations</b>		<b>194,110,434</b>	<b>28,941,685</b>	<b>20,563,271</b>
<b>Evolution of the capital</b>				
Subscriptions of shares		278,473,604	101,842,147	130,148,425
Redemptions of shares		(222,520,924)	(10,364,986)	(5,526,242)
Dividends distributed	11	(5,677,884)	(2,173,707)	0
Currency translation		0	0	0
<b>Net assets at the end of the year</b>		<b>1,567,496,638</b>	<b>730,064,257</b>	<b>149,353,912</b>



## Statement of changes in net assets for the year ended December 31, 2023

		Candriam Equities L Oncology Impact	Candriam Equities L Risk Arbitrage Opportunities	Candriam Equities L Robotics & Innovative Technology
		USD	EUR	USD
<b>Net assets at the beginning of the year</b>		<b>1,931,126,606</b>	<b>55,130,876</b>	<b>1,256,539,992</b>
<b>Income</b>				
Dividends, net	2k	16,273,865	250,397	8,318,933
Interest received on CFD		0	300,846	0
Interest on securities lending	10	0	0	31
Bank interest		3,193,454	321,504	1,753,369
Dividends received on CFD		0	199,775	0
Interest on reverse repurchase agreements		0	683,415	0
Other income		0	410	15
<b>Total income</b>		<b>19,467,319</b>	<b>1,756,347</b>	<b>10,072,348</b>
<b>Expenses</b>				
Management fees	3	11,030,389	26,895	3,469,489
Performance fees	6	0	0	0
Operating and Administrative Expenses	5	3,770,453	99,278	1,659,788
Depository fees	5	85,248	2,304	68,535
Subscription tax	7	385,891	5,176	229,596
Transaction costs	2j	545,730	67,707	246,457
Interest paid on CFD		0	1,116,737	0
Bank interest		168,536	9,134	85,171
Other expenses		0	4,437	2,950
<b>Total expenses</b>		<b>15,986,247</b>	<b>1,331,668</b>	<b>5,761,986</b>
<b>Net income / (loss) from investments</b>		<b>3,481,072</b>	<b>424,679</b>	<b>4,310,362</b>
Net realised gain / (loss) on sales of investments	2b	(33,898,080)	(1,532,528)	(29,654,913)
Net realised gain / (loss) on options	2e	0	0	0
Net realised gain / (loss) on forward foreign exchange contracts	2g	(7,673,431)	660,389	(196,162)
Net realised gain / (loss) on futures	2e	0	(97,587)	0
Net realised gain / (loss) on CFD	2f	0	644,309	0
Net realised gain / (loss) on foreign exchange		(5,293,284)	(1,757,777)	(14,183,719)
<b>Net realised gain / (loss)</b>		<b>(43,383,723)</b>	<b>(1,658,515)</b>	<b>(39,724,432)</b>
Change in net unrealised appreciation / depreciation on investments	2a	52,218,941	1,967,807	569,340,306
Change in net unrealised appreciation / depreciation on forward foreign exchange contracts	2g	4,717,592	(426,590)	408,216
Change in net unrealised appreciation / depreciation on futures	2e	0	(47,950)	0
Change in net unrealised appreciation / depreciation on CFD	2f	0	(165,446)	0
<b>Net increase / (decrease) in net assets as a result of operations</b>		<b>13,552,810</b>	<b>(330,694)</b>	<b>530,024,090</b>
<b>Evolution of the capital</b>				
Subscriptions of shares		307,945,764	9,344,676	190,078,301
Redemptions of shares		(385,908,780)	(14,507,258)	(139,082,538)
Dividends distributed	11	(5,406,840)	0	(3,409,002)
Currency translation		0	0	0
<b>Net assets at the end of the year</b>		<b>1,861,309,560</b>	<b>49,637,600</b>	<b>1,834,150,843</b>



Statement of changes in net assets for the year ended December 31, 2023

		Combined
		EUR
<b>Net assets at the beginning of the year</b>		<b>10,039,206,017</b>
<b>Income</b>		
Dividends, net	2k	110,874,151
Interest received on CFD		300,846
Interest on securities lending	10	240,346
Bank interest		10,624,897
Dividends received on CFD		199,775
Interest on reverse repurchase agreements		684,603
Other income		51,537
<b>Total income</b>		<b>122,976,155</b>
<b>Expenses</b>		
Management fees	3	79,615,575
Performance fees	6	1,927,262
Operating and Administrative Expenses	5	21,859,170
Depository fees	5	437,660
Subscription tax	7	5,642,769
Transaction costs	2j	7,366,273
Interest paid on CFD		1,116,737
Bank interest		409,782
Other expenses		120,398
<b>Total expenses</b>		<b>118,495,626</b>
<b>Net income / (loss) from investments</b>		<b>4,480,529</b>
Net realised gain / (loss) on sales of investments	2b	46,687,800
Net realised gain / (loss) on options	2e	(61,000)
Net realised gain / (loss) on forward foreign exchange contracts	2g	(6,053,818)
Net realised gain / (loss) on futures	2e	(43,729,235)
Net realised gain / (loss) on CFD	2f	644,309
Net realised gain / (loss) on foreign exchange		(61,141,879)
<b>Net realised gain / (loss)</b>		<b>(59,173,294)</b>
Change in net unrealised appreciation / depreciation on investments	2a	998,337,328
Change in net unrealised appreciation / depreciation on forward foreign exchange contracts	2g	6,414,724
Change in net unrealised appreciation / depreciation on futures	2e	(1,631,860)
Change in net unrealised appreciation / depreciation on CFD	2f	(165,446)
<b>Net increase / (decrease) in net assets as a result of operations</b>		<b>943,781,452</b>
<b>Evolution of the capital</b>		
Subscriptions of shares		1,774,726,983
Redemptions of shares		(2,723,644,932)
Dividends distributed	11	(35,925,163)
Currency translation		(180,800,371)
<b>Net assets at the end of the year</b>		<b>9,817,343,986</b>





## Statistics

### Candriam Equities L Australia

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
<b>Total net assets</b>			<b>AUD</b>		<b>228,943,822</b>	<b>227,441,918</b>	<b>186,504,713</b>
C	LU0078775011	Capitalisation	AUD	45,822.42	2,018.65	1,835.48	1,867.64
C	LU0078775284	Distribution	AUD	32,225.76	921.20	858.41	905.55
C - EUR - Unhedged	LU0256780106	Capitalisation	EUR	53,834.57	310.92	291.47	299.13
I	LU0133348622	Capitalisation	AUD	16,056.51	2,495.38	2,243.37	2,256.78
I - EUR - Unhedged	LU0256781096	Capitalisation	EUR	63,760.23	317.91	294.72	298.95
N	LU0133347731	Capitalisation	AUD	656.34	1,789.58	1,634.62	1,670.95
N - EUR - Unhedged	LU0256780874	Capitalisation	EUR	3,374.27	290.07	273.22	281.60
R	LU0942225839	Capitalisation	AUD	16,034.20	229.79	207.10	208.87
V	LU0317020385	Capitalisation	AUD	1.00	1,920.69	1,723.88	1,731.85
Z	LU0240973742	Capitalisation	AUD	114.85	2,740.88	2,450.56	2,451.59

### Candriam Equities L Biotechnology

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
<b>Total net assets</b>			<b>USD</b>		<b>1,586,612,773</b>	<b>1,767,239,462</b>	<b>1,866,851,208</b>
C	LU0108459040	Capitalisation	USD	420,087.15	827.12	771.93	783.64
C	LU0108459552	Distribution	USD	159,433.82	759.86	713.31	728.29
C - EUR - Hedged	LU1120766206	Capitalisation	EUR	451,021.15	195.25	185.53	195.73
C - EUR - Unhedged	LU1120766388	Capitalisation	EUR	858,486.48	212.07	204.95	195.36
I	LU0133360163	Capitalisation	USD	5,814.35	5,519.62	5,132.42	5,263.87
I - CHF - Hedged	LU2478813442	Capitalisation	CHF	187.90	1,555.20	1,512.61	-
I - EUR - Hedged	LU1006082199	Capitalisation	EUR	11,828.50	2,033.90	1,938.19	2,051.00
I - EUR - Unhedged	LU1120766032	Capitalisation	EUR	20,015.14	2,130.25	2,049.28	1,972.79
I - GBP - Unhedged	LU1269737059	Capitalisation	GBP	243.55	3,320.75	3,271.81	2,983.63
L	LU0574798848	Capitalisation	USD	13,552.84	808.74	756.03	768.69
N	LU0133359157	Capitalisation	USD	72,033.86	590.07	552.73	563.70
R	LU0942225912	Capitalisation	USD	664,641.44	261.79	242.19	243.95
R - CHF - Hedged	LU1269736754	Capitalisation	CHF	3,318.87	200.26	193.68	202.42
R - EUR - Hedged	LU1708110975	Capitalisation	EUR	14,743.62	202.94	192.25	200.07
R - EUR - Unhedged	LU1269736838	Capitalisation	EUR	60,035.14	311.77	298.55	282.20
R - GBP - Unhedged	LU1269736911	Capitalisation	GBP	1,429.21	348.61	341.80	305.75
R2	LU1397644557	Capitalisation	USD	137,218.65	222.78	205.32	206.03
R2	LU1397644631	Distribution	USD	189,164.28	239.63	222.05	223.99
R2 - EUR - Unhedged	LU1397644805	Capitalisation	EUR	467.00	244.40	233.12	219.55
S - JPY - Unhedged	LU1820816558	Capitalisation	JPY	102,023.04	296,212.00	255,437.00	223,650.00
V	LU0317020203	Capitalisation	USD	63,629.61	2,016.72	1,872.73	1,916.83
V2	LU2026682919	Capitalisation	USD	18,189.48	1,804.37	1,665.09	1,673.04
Z	LU0240982651	Capitalisation	USD	3,554.00	2,271.30	2,082.37	2,078.74

### Candriam Equities L Emerging Markets

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
<b>Total net assets</b>			<b>EUR</b>		<b>969,705,452</b>	<b>1,204,443,591</b>	<b>1,913,356,155</b>
BF	LU1904319164	Capitalisation	EUR	-	-	1,746.28	2,293.30
BF	LU1397645364	Distribution	EUR	152,302.38	1,363.27	1,346.90	1,811.40
C	LU0056052961	Capitalisation	EUR	247,284.16	854.49	837.99	1,120.67
C	LU0056053001	Distribution	EUR	163,168.13	555.61	559.18	766.35
C - USD - Hedged	LU1293437023	Capitalisation	USD	533.30	179.11	172.29	225.74
I	LU0133355080	Capitalisation	EUR	10,180.86	1,013.93	982.70	1,299.12
I	LU1269737562	Distribution	EUR	1.00	1,608.37	1,599.54	2,166.05
I - GBP - Unhedged	LU1269737489	Capitalisation	GBP	1.00	2,515.78	2,479.49	3,107.94
I2 - USD - Unhedged	LU1774694167	Capitalisation	USD	8,758.00	1,582.20	-	-
L	LU0574798921	Capitalisation	EUR	7,015.51	839.87	824.53	1,103.43
N	LU0133352731	Capitalisation	EUR	2,201.19	766.35	753.96	1,011.59
P	LU0596238260	Capitalisation	EUR	180,965.40	1,074.94	1,037.57	1,365.78
R	LU0942226134	Capitalisation	EUR	200.47	144.79	140.74	186.54
R - GBP - Unhedged	LU1269737307	Capitalisation	GBP	4.00	255.29	252.46	317.30
R2	LU1397645018	Capitalisation	EUR	448,173.22	163.42	158.23	208.93
R2	LU1397645109	Distribution	EUR	3,713.42	157.08	156.00	210.99



## Statistics

### Candriam Equities L Emerging Markets (Continued)

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
V	LU0317020112	Capitalisation	EUR	2.00	1,036.93	1,001.61	1,320.11
V2	LU1397645281	Capitalisation	EUR	651.93	1,585.84	1,533.78	2,022.74
Z	LU0240980523	Capitalisation	EUR	132,661.36	1,207.45	1,162.68	1,526.78

### Candriam Equities L EMU Innovation

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
<b>Total net assets</b>			<b>EUR</b>		<b>48,006,118</b>	<b>58,916,622</b>	<b>87,250,657</b>
C	LU0317020898	Capitalisation	EUR	3,088.92	129.50	114.59	147.53
I	LU0317021433	Capitalisation	EUR	8,223.12	1,452.07	1,270.96	1,618.68
R	LU1293437379	Capitalisation	EUR	7.00	190.48	167.13	213.38
S	LU0317021276	Capitalisation	EUR	-	-	1,695.29	2,152.60
Z	LU0317021359	Capitalisation	EUR	20,486.00	1,740.91	1,515.42	1,919.43

### Candriam Equities L Europe Innovation

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
<b>Total net assets</b>			<b>EUR</b>		<b>898,640,715</b>	<b>1,241,599,848</b>	<b>1,986,442,269</b>
C	LU0344046155	Capitalisation	EUR	146,885.92	2,939.02	2,754.40	3,610.88
C	LU0344046239	Distribution	EUR	703,601.63	263.98	253.33	341.07
C - USD - Hedged	LU1293437882	Capitalisation	USD	7,393.91	174.73	160.22	203.13
I	LU0344046668	Capitalisation	EUR	29,533.77	2,605.07	2,412.31	3,127.85
I - USD - Hedged	LU1293437965	Capitalisation	USD	701.82	1,356.37	1,229.84	1,543.02
L	LU0654531002	Capitalisation	EUR	13,299.16	2,893.80	2,715.38	3,563.70
N	LU0344046312	Capitalisation	EUR	298,142.22	88.35	83.08	109.39
R	LU1293438005	Capitalisation	EUR	52,574.41	270.77	251.48	327.03
R2	LU1397646503	Capitalisation	EUR	6,121.70	223.41	206.64	267.71
R2	LU1397646685	Distribution	EUR	29,184.63	216.46	205.00	272.56
S	LU2026683057	Capitalisation	EUR	7,235.43	1,650.15	1,525.81	1,975.42
V	LU0344046403	Capitalisation	EUR	7,705.52	1,802.64	1,665.11	2,153.57
V2	LU2026683131	Capitalisation	EUR	24,538.13	2,143.27	1,981.72	2,565.69
Z	LU0344046585	Capitalisation	EUR	13,569.40	2,731.48	2,514.23	3,240.54

### Candriam Equities L Europe Optimum Quality

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
<b>Total net assets</b>			<b>EUR</b>		<b>564,703,027</b>	<b>791,623,230</b>	<b>1,041,629,101</b>
C	LU0304859712	Capitalisation	EUR	2,707,514.53	144.08	142.46	161.04
C	LU0304860058	Distribution	EUR	1,536,611.19	90.94	92.35	107.17
I	LU0304860645	Capitalisation	EUR	44,048.31	219.98	214.77	239.99
I	LU1269737729	Distribution	EUR	67.31	1,624.61	1,628.06	1,866.62
L	LU0574799226	Capitalisation	EUR	159,715.50	141.72	140.28	158.75
N	LU0304860561	Capitalisation	EUR	8,811.55	165.45	164.12	186.29
R	LU1293438187	Capitalisation	EUR	1,683.70	200.11	195.86	219.36
R2	LU1397646842	Capitalisation	EUR	1,724.14	195.27	190.58	212.84
R2	LU1397646925	Distribution	EUR	1,443.84	180.49	180.81	207.19
V	LU0317019536	Capitalisation	EUR	1.50	1,985.82	1,935.67	2,159.41
Z	LU0317112661	Capitalisation	EUR	90.08	237.48	230.56	256.17

### Candriam Equities L Global Demography

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
<b>Total net assets</b>			<b>EUR</b>		<b>1,567,496,638</b>	<b>1,323,111,408</b>	<b>1,416,644,708</b>
C	LU0654531184	Capitalisation	EUR	2,744,920.73	288.22	252.87	299.30
C	LU0654531267	Distribution	EUR	1,717,708.23	243.00	216.68	260.52
I	LU0654531341	Capitalisation	EUR	28,974.14	3,203.60	2,776.08	3,248.80
I - USD - Unhedged	LU2328285445	Capitalisation	USD	1.00	1,450.83	1,215.25	1,516.52
L	LU0654531697	Capitalisation	EUR	322,243.86	285.04	250.32	296.56
N	LU0654531424	Capitalisation	EUR	6,610.13	280.55	246.89	293.40
R	LU1598288089	Capitalisation	EUR	3,437.22	277.14	240.85	282.69
R2	LU1397647733	Capitalisation	EUR	160,424.76	261.66	226.56	264.92



## Statistics

### Candriam Equities L Global Demography (Continued)

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
R2	LU1397647816	Distribution	EUR	4,895.15	253.75	223.22	265.05
V2 - USD - Unhedged	LU2439121216	Capitalisation	USD	70,166.48	1,708.21	1,426.55	-
Z	LU1397647907	Capitalisation	EUR	5,806.04	3,401.40	2,929.80	3,408.05

### Candriam Equities L Life Care

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
<b>Total net assets</b>			<b>USD</b>		<b>730,064,257</b>	<b>611,819,118</b>	<b>19,087,939</b>
BF	LU2223682787	Capitalisation	USD	302,084.00	1,527.78	1,470.42	-
BF	LU2223682860	Distribution	USD	109,561.83	1,507.82	1,470.42	-
C	LU2223680658	Capitalisation	USD	1,513.54	161.66	158.38	170.25
I	LU2223680815	Capitalisation	USD	1,745.37	1,657.59	1,610.82	1,717.21
I - EUR - Unhedged	LU2346867125	Capitalisation	EUR	93.00	1,569.58	-	-
R	LU2223681201	Capitalisation	USD	58.63	157.11	152.76	162.99
R2	LU2223681896	Capitalisation	USD	-	-	152.42	-
V	LU2223682274	Capitalisation	USD	1.00	1,674.45	1,621.57	1,723.13
Z	LU2223682357	Capitalisation	USD	57,992.00	1,725.02	1,662.43	1,757.91

### Candriam Equities L Meta Globe

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
<b>Total net assets</b>			<b>USD</b>		<b>149,353,912</b>	<b>4,168,458</b>	-
BF - EUR - Unhedged	LU2476791202	Capitalisation	EUR	33,369.77	1,693.24	-	-
BF - EUR - Unhedged	LU2476793323	Distribution	EUR	46,465.58	1,693.24	-	-
C	LU2476793240	Capitalisation	USD	78.34	207.11	141.76	-
I	LU2476792861	Capitalisation	USD	1.00	2,092.57	1,419.07	-
R	LU2476792432	Capitalisation	USD	10.00	209.08	141.89	-
V	LU2476791467	Capitalisation	USD	1.00	2,100.21	1,419.41	-
Z	LU2476791384	Capitalisation	USD	2.00	2,321.34	1,561.43	-

### Candriam Equities L Oncology Impact

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
<b>Total net assets</b>			<b>USD</b>		<b>1,861,309,560</b>	<b>1,931,126,606</b>	<b>2,425,748,609</b>
BF - EUR - Unhedged	LU1940963215	Capitalisation	EUR	123,149.64	2,550.94	2,589.38	2,667.77
BF - EUR - Unhedged	LU1940963306	Distribution	EUR	114,638.72	2,417.06	2,488.13	2,605.47
C	LU1864481467	Capitalisation	USD	493,184.19	253.45	253.04	282.79
C	LU1864481541	Distribution	USD	10,766.38	222.53	225.49	256.89
C - EUR - Hedged	LU1864481624	Capitalisation	EUR	442,499.13	193.31	197.73	228.44
C - EUR - Unhedged	LU1864484214	Capitalisation	EUR	209,040.39	222.98	230.42	241.68
I	LU1864482358	Capitalisation	USD	91,518.45	2,653.28	2,624.19	2,905.31
I	LU1864482432	Distribution	USD	34,037.42	1,490.20	1,473.86	1,801.74
I - EUR - Hedged	LU2015349330	Capitalisation	EUR	53,553.34	1,958.31	1,984.36	2,271.08
I - GBP - Unhedged	LU1864482515	Capitalisation	GBP	6,095.08	2,059.28	2,158.43	2,121.89
N	LU2346866234	Capitalisation	USD	1,055.99	145.48	-	-
N - EUR - Hedged	LU1864482606	Capitalisation	EUR	139,264.77	193.12	198.33	230.04
N - EUR - Unhedged	LU2346866317	Capitalisation	EUR	528.35	143.59	-	-
PI	LU1864483836	Capitalisation	USD	6,297.85	2,356.14	2,319.95	2,557.07
R	LU1864482788	Capitalisation	USD	19,122.19	264.02	261.40	289.69
R	LU1864482861	Distribution	USD	6,730.00	179.57	180.40	203.79
R - EUR - Hedged	LU1864483083	Capitalisation	EUR	15,417.90	179.94	182.53	209.04
R - EUR - Unhedged	LU1864483166	Capitalisation	EUR	187,281.82	235.50	241.32	250.99
R - GBP - Unhedged	LU1864482945	Capitalisation	GBP	21,141.72	145.75	152.94	150.53
R2	LU1864483240	Capitalisation	USD	1,755.00	141.24	139.33	153.86
R2	LU1864483323	Distribution	USD	280,225.72	234.36	234.60	264.05
R2 - EUR - Hedged	LU1864483596	Distribution	EUR	464.00	164.34	168.65	196.26
S - JPY - Asset Hedged	LU2015349090	Distribution	JPY	21,043.68	19,542.00	20,794.00	23,085.00
S - JPY - Unhedged	LU2015348522	Distribution	JPY	96,934.03	27,336.00	25,545.00	24,980.00
SF2 - EUR - Unhedged	LU2295688928	Capitalisation	EUR	119,045.68	1,017.94	1,035.15	1,068.42
V	LU1864483752	Capitalisation	USD	25,315.62	2,206.09	2,174.91	2,400.14
V - GBP - Unhedged	LU2425425506	Capitalisation	GBP	12,971.95	1,696.49	1,772.47	-
Z	LU1864483919	Capitalisation	USD	39,203.94	2,479.14	2,432.36	2,671.42



## Statistics

### Candriam Equities L Risk Arbitrage Opportunities

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
<b>Total net assets</b>			<b>EUR</b>		<b>49,637,600</b>	<b>55,130,876</b>	<b>79,103,061</b>
C	LU2223682944	Capitalisation	EUR	7.00	142.90	145.77	151.65
I	LU2223683082	Capitalisation	EUR	1.00	1,452.66	1,472.90	1,522.70
PI	LU2223683678	Capitalisation	EUR	-	-	147.88	152.11
R	LU2223683322	Capitalisation	EUR	7.00	144.60	146.85	152.08
S	LU2223683751	Capitalisation	EUR	6,666.67	1,488.59	1,497.47	1,536.52
V	LU2223683835	Capitalisation	EUR	1.00	1,461.34	1,478.11	1,524.75
Z	LU2223683918	Capitalisation	EUR	26,625.31	1,491.39	1,496.54	1,531.65

### Candriam Equities L Robotics & Innovative Technology

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
<b>Total net assets</b>			<b>USD</b>		<b>1,834,150,843</b>	<b>1,256,539,992</b>	<b>659,073,624</b>
BF	LU2226954738	Capitalisation	USD	584,580.91	1,697.50	1,196.13	-
BF	LU2226954902	Distribution	USD	162,674.82	1,672.71	1,196.13	-
C	LU1502282558	Capitalisation	USD	50,150.70	384.59	276.14	408.44
C	LU1502282715	Distribution	USD	26,148.95	354.20	258.89	390.30
C - EUR - Hedged	LU1806526718	Capitalisation	EUR	21,600.52	238.51	175.73	271.45
C - EUR - Unhedged	LU1502282632	Capitalisation	EUR	206,936.39	348.14	258.72	359.14
I	LU1502282806	Capitalisation	USD	13,870.02	4,092.93	2,911.08	4,265.59
I - EUR - Unhedged	LU1613213971	Capitalisation	EUR	43,940.25	3,388.26	2,494.29	3,430.07
N - EUR - Hedged	LU1806526809	Capitalisation	EUR	19,690.30	247.89	183.38	284.12
R	LU1502282988	Capitalisation	USD	8,630.91	406.30	289.28	424.30
R	LU1708110629	Distribution	USD	2,111.54	270.96	196.35	293.45
R - EUR - Hedged	LU1613220596	Capitalisation	EUR	32,041.48	243.09	177.62	271.91
R - EUR - Unhedged	LU1598284849	Capitalisation	EUR	83,177.99	385.91	284.38	391.46
R - GBP - Hedged	LU1613217964	Capitalisation	GBP	890.87	298.22	214.55	324.78
V - EUR - Unhedged	LU2402073626	Capitalisation	EUR	19,640.20	1,663.90	-	-
Z	LU1502283010	Capitalisation	USD	33,487.77	4,320.86	3,048.62	4,431.45



## Candriam Equities L Australia

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in AUD)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Shares</b>				
<b>Australia</b>				
29METALS --- REGISTERED SHS	1,346,380	AUD	868,415	0.38
ALLKEM LIMITED	273,126	AUD	2,684,829	1.17
ALTIUM	38,759	AUD	1,815,859	0.79
ANZ BANKING GROUP LTD	286,473	AUD	7,425,380	3.24
ARISTOCRAT LEISURE	158,660	AUD	6,476,501	2.83
BHP GROUP LTD	448,850	AUD	22,626,528	9.88
BLUESCOPE STEEL	227,159	AUD	5,315,521	2.32
BOSS RESOURCES LTD	143,000	AUD	576,290	0.25
COMMONWEALTH BANK OF AUSTRALIA	153,283	AUD	17,137,039	7.49
CSL LTD	68,900	AUD	19,750,185	8.63
EVOLUTION MINING	1,136,347	AUD	4,499,934	1.97
GOODMAN GROUP - STAPLED SECURITY	393,839	AUD	9,964,127	4.35
IDP EDUCATION	134,107	AUD	2,686,163	1.17
IGO NL	438,936	AUD	3,972,371	1.74
LYNAS RARE EARTHS LTD	806,935	AUD	5,777,655	2.52
MACQUARIE GROUP	54,035	AUD	9,922,447	4.33
NAT. AUSTRALIA BANK	465,501	AUD	14,290,881	6.24
NEXTDC LTD	265,280	AUD	3,642,294	1.59
PALADIN ENERGY	1,200,000	AUD	1,182,000	0.52
QBE INSURANCE GROUP	308,386	AUD	4,567,197	1.99
RESMED - CDI RATIO OF 10 CDIS PER ORD SH	250,377	AUD	6,369,591	2.78
RIO TINTO	77,124	AUD	10,462,642	4.57
SANDFIRE RESSOURCE LTD	432,230	AUD	3,172,568	1.39
SANTOS LTD	969,356	AUD	7,367,106	3.22
SUNCORP GROUP	322,392	AUD	4,465,129	1.95
TELSTRA CORP	1,726,054	AUD	6,835,174	2.99
TRANSURBAN GROUP	207,552	AUD	2,845,538	1.24
TREASURY WINE ESTATES LTD	526,269	AUD	5,673,180	2.48
WEBJET LTD	421,697	AUD	3,095,256	1.35
WOODSIDE ENERGY SHARES	123,583	AUD	3,838,488	1.68
WOOLWORTHS GRP - REGISTERED	154,376	AUD	5,742,787	2.51
WORLEY LTD	318,283	AUD	5,557,221	2.43
			<b>210,606,296</b>	<b>91.99</b>
<b>Ireland</b>				
JAMES HARDIES IND/CHESS UNITS OF FOR SEC	108,955	AUD	6,154,868	2.69
			<b>6,154,868</b>	<b>2.69</b>
<b>New Zealand</b>				
XERO	52,690	AUD	5,917,087	2.58
			<b>5,917,087</b>	<b>2.58</b>
<b>United States of America</b>				
BLOCK --- SHS CHESS DEPOSITORY INTERESTS	49,563	AUD	5,784,002	2.53
			<b>5,784,002</b>	<b>2.53</b>
<b>Total Shares</b>			<b>228,462,253</b>	<b>99.79</b>
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>228,462,253</b>	<b>99.79</b>
<b>Total investment portfolio</b>			<b>228,462,253</b>	<b>99.79</b>
Acquisition cost			186,582,976	

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



## Candriam Equities L Australia

Geographical and economic breakdown of investments as at December 31, 2023

### Geographical breakdown (in % of net assets)

Australia	91.99
Ireland	2.69
New Zealand	2.58
United States of America	2.53
	<b>99.79</b>

### Economic breakdown (in % of net assets)

Banks and other financial institutions	23.25
Coal mining and steel industry & Chemicals	13.38
Biotechnology	8.63
Precious metals and stones	7.99
Petroleum	7.32
Internet and internet services	4.97
Non ferrous metals	4.57
Real estate	4.35
Retail trade and department stores	3.86
Miscellaneous services	3.77
Communication	2.99
Hotels and restaurants	2.83
Pharmaceuticals	2.78
Building materials	2.69
Tobacco and alcoholic drinks	2.48
Insurance	1.99
Healthcare	1.17
Utilities	0.77
	<b>99.79</b>



## Candriam Equities L Biotechnology

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in USD)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Shares</b>				
<b>Belgium</b>				
UCB	61,186	EUR	5,332,781	0.34
			<b>5,332,781</b>	<b>0.34</b>
<b>Canada</b>				
XENON PHARMA --- REGISTERED SHS	530,884	USD	24,452,517	1.54
			<b>24,452,517</b>	<b>1.54</b>
<b>Cayman Islands</b>				
BEIGENE - REG SHS	1,113,572	HKD	15,701,222	0.99
LEGEND BIOTECH CORP	111,026	USD	6,680,434	0.42
MOONLAKE IMMUNOTHERAPEUTICS	185,000	USD	11,172,150	0.70
			<b>33,553,806</b>	<b>2.11</b>
<b>Denmark</b>				
GENMAB AS	52,380	DKK	16,726,922	1.05
ZEALAND PHARMA	70,000	DKK	3,871,176	0.24
			<b>20,598,098</b>	<b>1.30</b>
<b>France</b>				
SANOFI	446,550	EUR	44,276,944	2.79
			<b>44,276,944</b>	<b>2.79</b>
<b>Germany</b>				
BIONTECH - ADR 1 SHS	40,303	USD	4,253,578	0.27
MORPHOSYS	50,931	EUR	1,912,872	0.12
			<b>6,166,450</b>	<b>0.39</b>
<b>Ireland</b>				
ALKERMES	837,779	USD	23,239,989	1.46
JAZZ PHARMACEUTICALS PLC	139,633	USD	17,174,859	1.08
PROTHENA CORP	82,000	USD	2,979,880	0.19
			<b>43,394,728</b>	<b>2.74</b>
<b>Japan</b>				
EISAI	90,500	JPY	4,526,926	0.29
			<b>4,526,926</b>	<b>0.29</b>
<b>Luxembourg</b>				
AKERO THERAPEUTICS INC	184,000	USD	4,296,400	0.27
KARUNA THERAPEUTICS INC	57,201	USD	18,104,689	1.14
REVOLUTION MEDICINES INC	253,556	USD	7,271,986	0.46
SPRINGWORKS THERAPEUTICS INC	75,000	USD	2,737,500	0.17
SYNDAX PHARMACEUTICALS INC	365,000	USD	7,887,650	0.50
			<b>40,298,225</b>	<b>2.54</b>
<b>Netherlands</b>				
ARGENX SE	52,094	EUR	19,766,927	1.25
MERUS - REG SHS	212,151	USD	5,834,153	0.37
PHARVARIS NV	50,000	USD	1,402,500	0.09
			<b>27,003,580</b>	<b>1.70</b>
<b>Switzerland</b>				
CRISPR THERAP --- NAMEN-AKT	59,675	USD	3,735,655	0.24
			<b>3,735,655</b>	<b>0.24</b>
<b>United Kingdom</b>				
ASTRAZENECA PLC	324,025	GBP	43,784,002	2.76
BICYCLE THERAPEUTICS PLC	288,295	USD	5,212,374	0.33
IMMUNOCORE HOLDINGS PLC-ADR	55,000	USD	3,757,600	0.24
			<b>52,753,976</b>	<b>3.32</b>
<b>United States of America</b>				
4D MOLECULAR THERAPEUTICS INC	198,000	USD	4,011,480	0.25
89BIO --- REGISTERED SHS	280,000	USD	3,127,601	0.20
ALNYLAM PHARMACEUTICALS INC	230,326	USD	44,086,700	2.78
ALPINE IMMUNE SCIENCES	470,000	USD	8,958,200	0.56
AMGEN INC	372,648	USD	107,330,078	6.76
AMICUS THERAPEUTICS	553,879	USD	7,859,543	0.50

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Equities L Biotechnology

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in USD)	% net assets
APELLIS PHARMA	337,507	USD	20,203,170	1.27
ARCELLX INC	40,000	USD	2,220,001	0.14
ARROWHEAD PHARMACEUTICALS INC	185,054	USD	5,662,652	0.36
ARVINAS - REG SHS	139,282	USD	5,732,847	0.36
ASCENDIS PHARMA ADR REP 1SHS	99,375	USD	12,516,281	0.79
AVIDITY BIOSCI --- REGISTERED SHS	290,067	USD	2,625,106	0.17
AXSOME THERAPEUTICS INC	85,084	USD	6,771,835	0.43
BEAM THERAPEUTICS INC	212,665	USD	5,788,741	0.36
BIOGEN IDEC INC	162,114	USD	41,950,240	2.64
BIOMARIN PHARMACEUTICAL INC	279,796	USD	26,977,930	1.70
BLUEPRINT MEDICINES CORP	20,156	USD	1,859,189	0.12
BRIDGEBIO PHARM - REG SHS	299,000	USD	12,070,630	0.76
BRUKER BIOSCIENCES	100,628	USD	7,394,145	0.47
CELLEX THERAPEUTICS INC	317,509	USD	12,592,407	0.79
CEREVEL THERAPEUTICS HOLDINGS INC	167,221	USD	7,090,170	0.45
CHINOOK THERAPEUTICS	386,155	USD	382,293	0.02
CRINETIC PHARMA - REG SHS	80,000	USD	2,846,400	0.18
CYTOKINETICS INC	267,240	USD	22,311,867	1.41
DANAHER CORP	95,467	USD	22,085,336	1.39
DENALI THRPTCS - REG SHS	357,878	USD	7,680,062	0.48
DESIGN THERAPEUTICS INC	225,000	USD	596,250	0.04
DISC MEDICINE INC	80,000	USD	4,620,800	0.29
DYNE THERAPEUTICS INC	763,624	USD	10,156,199	0.64
EDGEWISE THERAPE	308,000	USD	3,369,520	0.21
ELI LILLY & CO	50,000	USD	29,146,000	1.84
EXACT SCIENCES CORP	70,000	USD	5,178,600	0.33
EXELIXIS	384,968	USD	9,235,382	0.58
EYEPOINT PHARMACEUTICALS INC	140,000	USD	3,235,400	0.20
GILEAD SCIENCES INC	1,176,375	USD	95,298,140	6.01
GUARDANT HEALTH --- REGISTERED SHS	175,000	USD	4,733,750	0.30
HALOZYME THERAPEUT -SHS-	180,997	USD	6,689,649	0.42
IDEAYA BIOSCIENCES INC	80,000	USD	2,846,399	0.18
ILLUMINA INC	110,760	USD	15,422,222	0.97
IMMUNOGEN INC	339,681	USD	10,071,542	0.63
INCYTE CORP	421,823	USD	26,486,266	1.67
INHIBRX - REG SHS	135,069	USD	5,132,622	0.32
INSMED	310,200	USD	9,613,099	0.61
INTELLIA THERAPEUTICS INC	91,275	USD	2,782,974	0.18
IONIS PHARMACEUTICALS NEW	629,067	USD	31,824,499	2.01
IOVANCE BIOTHERAPEUTICS INC	766,367	USD	6,230,563	0.39
KEROS THERAPEUTICS INC	462,065	USD	18,371,704	1.16
KRYSTAL BIOTECH - REG SHS	55,000	USD	6,823,300	0.43
KURA ONCOLOGY - REGISTERED	174,402	USD	2,507,901	0.16
KYMERA THERAPEUTICS INC	185,476	USD	4,722,219	0.30
MADRIGAL PHARMACEUTICALS INC	27,000	USD	6,247,260	0.39
MERCK & CO INC	165,000	USD	17,988,300	1.13
MODERNA INC	347,625	USD	34,571,306	2.18
MORPHIC HLDG	249,933	USD	7,218,065	0.45
NATERA	60,000	USD	3,758,400	0.24
NEUROCRINE BIOSCIENCES	275,616	USD	36,315,164	2.29
NURIX THERAPETC - REG SHS	354,992	USD	3,663,517	0.23
NUVALENT INC-A SHARES	118,000	USD	8,683,620	0.55
PACIRA PHARMACEUTICALS INC	191,901	USD	6,474,740	0.41
PLIANT THERAPEUTICS INC	453,000	USD	8,203,830	0.52
PROTAGONIST THERAPEUTICS INC	537,000	USD	12,313,410	0.78
PTC THERAPEUTICS	291,652	USD	8,037,929	0.51
RAPT THERAPEUTICS INC	313,262	USD	7,784,561	0.49
REGENERON PHARMACEUTICALS INC	120,260	USD	105,623,156	6.66

The accompanying notes form an integral part of the financial statements.  
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## Candriam Equities L Biotechnology

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in USD)	% net assets
RELAY THERAPTCS - REGISTERED SHS	352,641	USD	3,882,577	0.24
ROCKET PHARMCTC	110,000	USD	3,296,700	0.21
SAGE THERAPEUTICS INC	227,000	USD	4,919,090	0.31
SAREPTA THERAPEUTICS	139,000	USD	13,403,770	0.84
SCHRODINGER INC	142,000	USD	5,083,600	0.32
SEAGEN INC	110,047	USD	25,200,763	1.59
STRUCTURE THERAPEUTICS INCORPORATION	210,000	USD	8,559,600	0.54
SUTRO BIOPHARMA INC	347,812	USD	1,492,113	0.09
THERMO FISHER SCIENT SHS	43,755	USD	23,224,716	1.46
TWIST BIOSCIENCE CORPORATION	71,360	USD	2,630,330	0.17
ULTRAGENYX PHARMACEUTICAL INC	148,480	USD	7,100,314	0.45
VERTEX PHARMACEUTICALS INC	269,220	USD	109,542,927	6.90
VERVE THERAPEUTICS INC	310,000	USD	4,321,400	0.27
XENCOR INC	341,298	USD	7,245,757	0.46
			<b>1,204,016,819</b>	<b>75.89</b>
<b>Total Shares</b>			<b>1,510,110,505</b>	<b>95.18</b>
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>1,510,110,505</b>	<b>95.18</b>
<b>Total investment portfolio</b>			<b>1,510,110,505</b>	<b>95.18</b>
Acquisition cost			1,370,021,258	



## Candriam Equities L Biotechnology

### Geographical and economic breakdown of investments as at December 31, 2023

#### Geographical breakdown (in % of net assets)

United States of America	75.89
United Kingdom	3.32
France	2.79
Ireland	2.74
Luxembourg	2.54
Cayman Islands	2.11
Netherlands	1.70
Canada	1.54
Denmark	1.30
Germany	0.39
Belgium	0.34
Japan	0.29
Switzerland	0.24
	<b>95.18</b>

#### Economic breakdown (in % of net assets)

Biotechnology	46.42
Pharmaceuticals	41.21
Banks and other financial institutions	3.90
Electronics and semiconductors	1.46
Machine and apparatus construction	1.39
Healthcare	0.46
Miscellaneous services	0.33
	<b>95.18</b>



Candriam Equities L Emerging Markets

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Shares</b>				
<b>Brazil</b>				
BANCO DO BRASIL SA	1,100,000	BRL	11,337,315	1.17
ITAUUNIBANCO PREFERENTIAL SHARE	2,240,000	BRL	14,158,907	1.46
LOCALIZA RENT A CAR SA	720,000	BRL	8,520,710	0.88
PRIO SA	1,200,000	BRL	10,282,461	1.06
RAIA DROGASIL SA	1,460,000	BRL	7,987,049	0.82
WEG SA	740,000	BRL	5,082,319	0.52
			<b>57,368,761</b>	<b>5.92</b>
<b>Cayman Islands</b>				
AIRTAC INTL	128,000	TWD	3,820,523	0.39
ALCHIP TECHNOLOGIES LIMITED	108,000	TWD	10,452,653	1.08
ALIBABA GROUP	2,840,000	HKD	24,834,479	2.56
ANTA SPORTS PRODUCTS	260,000	HKD	2,278,090	0.23
BAIDU - PREFERENTIAL SHARE -A	430,000	HKD	5,774,516	0.60
CHINA RESOURCES LAND LTD -RC-	2,320,000	HKD	7,513,822	0.77
JD.COM INC - CL A	280,000	HKD	3,643,556	0.38
KANZHUN LTD SHS A SPONSORED US DEPOSITAR	200,000	USD	2,949,842	0.30
KUAISHOU TECHNOLOGY	920,000	HKD	5,634,673	0.58
LI AUTO INC	380,000	HKD	6,465,635	0.67
MEITUAN - SHS 114A/REG S	970,000	HKD	9,189,049	0.95
NETEASE INC	460,000	HKD	7,480,973	0.77
NU HLDG - REG SHS -A-	860,000	USD	6,505,377	0.67
PINDUODUO	160,000	USD	21,017,623	2.17
TENCENT HOLDINGS LTD	830,000	HKD	28,187,014	2.91
			<b>145,747,825</b>	<b>15.03</b>
<b>Hong Kong</b>				
BYD ELECTRONIC -RC-	1,880,000	HKD	7,958,915	0.82
			<b>7,958,915</b>	<b>0.82</b>
<b>India</b>				
ABB SHS	186,000	INR	9,432,638	0.97
APL APOLLO TUBES LTD	440,000	INR	7,346,175	0.76
APOLLO HOSPITALS	120,000	INR	7,445,306	0.77
AXIS BANK	1,360,000	INR	16,295,064	1.68
BAJAJ FINANCE LTD	124,000	INR	9,876,651	1.02
BHARTI AIRTEL LTD(DEMATERIALIZED)	1,520,000	INR	17,053,943	1.76
HDFC BANK - REGISTERED SHS	450,000	INR	8,360,562	0.86
ICICI BANK	880,000	INR	9,532,810	0.98
INDRAPRASTHA GAS LTD	1,360,000	INR	6,179,204	0.64
KPIT TECHNOLOGIES LTD	420,000	INR	6,940,811	0.72
MAHINDRA&MAHINDRA	360,000	INR	6,767,298	0.70
RELIANCE INDUSTRIES DEMATERIALIZED	770,000	INR	21,635,167	2.23
SBI CARDS & PAYMENT SERVICES LTD	720,000	INR	5,955,723	0.61
TATA MOTORS	1,120,000	INR	9,495,157	0.98
TORRENT PHARMACEUTICALS DEMATERIALIZED	360,000	INR	9,021,825	0.93
VARUN BEVERAGES LTD	1,050,000	INR	14,118,104	1.46
			<b>165,456,438</b>	<b>17.06</b>
<b>Indonesia</b>				
ANEKA TAMBANG SHS	19,000,000	IDR	1,901,142	0.20
BANK CENTRAL ASIA DEP	19,800,000	IDR	10,922,689	1.13
BANK MANDIRI	22,000,000	IDR	7,811,143	0.81
SUMBER ALFARIA TRIJAYA TBK	34,000,000	IDR	5,846,326	0.60
			<b>26,481,300</b>	<b>2.73</b>
<b>Luxembourg</b>				
PROYA COSMETICS CO	360,577	CNY	4,565,080	0.47
PT MERDEKA COPPER GOLD TBK	24,000,000	IDR	3,802,870	0.39
SHANGHAI BAOSIGHT SOFTWARE CO LTD	699,098	CNY	4,345,321	0.45

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



## Candriam Equities L Emerging Markets

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
TATA ELXSI LTD	54,000	INR	5,121,257	0.53
VOLTRONIC POWER TECHNOLOGY CORP	90,000	TWD	4,548,101	0.47
YADEA GROUP HOLDINGS LTD	2,279,700	HKD	3,617,818	0.37
			<b>26,000,447</b>	<b>2.68</b>
<b>Malaysia</b>				
PRESS MTL ALUMI - REGISTERED	8,000,000	MYR	7,576,145	0.78
			<b>7,576,145</b>	<b>0.78</b>
<b>Mexico</b>				
AMERICA MOVIL SAB DE CV	14,400,000	MXN	11,983,495	1.24
CEMEX-CPO REPR 2 SHS -A-. 1 SHS -B-	7,000,000	MXN	5,008,050	0.52
GRUMA SHS-B-	520,000	MXN	8,663,340	0.89
GRUPO AEROPORTUARIO DEL PACIFICO SAB-B-	200,000	MXN	3,165,830	0.33
GRUPO FINANCIERO BANORTE -O-	1,580,000	MXN	14,455,832	1.49
			<b>43,276,547</b>	<b>4.46</b>
<b>People's Republic of China</b>				
AIER EYE HOSPITAL GRP CO LTD -A-	1,419,396	CNY	2,860,053	0.29
ANHUI HUAHENG BIOTECHNOLOG-A	359,956	CNY	5,772,170	0.60
BANK OF JIANGSU CO LTD	12,799,881	CNY	10,906,766	1.12
BEIJING COMPASS TECHNOLOGY DEVELOPMENT C	579,949	CNY	4,451,259	0.46
BYD COMPANY LTD -H-	302,000	HKD	7,489,393	0.77
CHINA MERCHANTS BANK CO LTD -H-	2,000,000	HKD	6,292,364	0.65
CMOC GROUP LIMITED	14,000,884	HKD	6,915,096	0.71
CONTEMPORARY AMPEREX TECHN-A	116,300	CNY	2,418,374	0.25
FLAT GLASS GROUP -H- REGS	1,120,000	HKD	1,707,451	0.18
LONGSHINE TECHNOLOGY GROUP CO LTD	939,887	CNY	1,962,088	0.20
LUZHOU OLD CELLAR -A-	158,000	CNY	3,610,704	0.37
NARI TECHNOLOGY -A-	1,459,792	CNY	4,150,010	0.43
NINGBO DEYE TECHNOLOGY CO -A	220,559	CNY	2,356,952	0.24
NONGFU SPRING - REG SHS -H- UNI	1,620,000	HKD	8,460,337	0.87
PING AN INS (GRP) CO -H-	2,820,000	HKD	11,530,641	1.19
SHANDONG GOLD - REG SHS -H-	4,240,000	HKD	7,268,235	0.75
SHENZHEN TRANSSION HOLDING CO LTD	280,000	CNY	4,935,806	0.51
SZ INNOVANCE TECHNOLOGY -A-	439,768	CNY	3,536,651	0.36
YANTAI JEREH OILFIELD SERVICES GROUP	1,599,961	CNY	5,728,411	0.59
			<b>102,352,761</b>	<b>10.56</b>
<b>Poland</b>				
DINA POLSKA S.A.	84,000	PLN	8,934,357	0.92
			<b>8,934,357</b>	<b>0.92</b>
<b>South Africa</b>				
CAPITEC BANK HOLDINGS LTD	92,000	ZAR	9,004,906	0.93
FIRSTRAND LTD	3,160,000	ZAR	11,239,381	1.16
GOLD FIELDS	880,000	ZAR	12,573,945	1.30
NASPERS LTD	81,000	ZAR	11,978,410	1.24
			<b>44,796,642</b>	<b>4.62</b>
<b>South Korea</b>				
DAEJOO ELEC MATERIALS	50,000	KRW	3,023,855	0.31
DB INSURANCE RG REGISTERED SHS	208,000	KRW	12,186,135	1.26
HPSP CO LTD	120,000	KRW	3,683,223	0.38
JYP ENTERTAINMENT CORP REGISTERED SHS	78,000	KRW	5,530,715	0.57
KB FINANCIAL GROUP INC	428,000	KRW	16,207,582	1.67
LG CHEM	22,000	KRW	7,684,231	0.79
SAMSUNG BIOLOGICS CO LTD	12,400	KRW	6,596,483	0.68
SAMSUNG ELECTRONICS CO LTD	686,000	KRW	37,693,892	3.89
SAMSUNG ENGINEERING	520,000	KRW	10,555,493	1.09
SK HYNIX INC	268,000	KRW	26,544,127	2.74
			<b>129,705,736</b>	<b>13.38</b>
<b>Taiwan</b>				
ACCTON TECHNOLOGY CORPORATION	800,000	TWD	12,364,687	1.28
CHAILEASE HOLDING COMPANY LTD	1,620,000	TWD	9,239,826	0.95
CHINATRUST FINANCIAL HLDGS	15,200,000	TWD	12,734,682	1.31

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



## Candriam Equities L Emerging Markets

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
DELTA ELECTRONIC INCS	880,000	TWD	8,152,892	0.84
PRIME VIEW INTERNATIONAL CO LTD	600,000	TWD	3,493,083	0.36
QUANTA COMPUTER INC	780,000	TWD	5,174,905	0.53
REALTEK SEMICONDUCTOR CORP	360,000	TWD	5,016,209	0.52
TAIWAN SEMICONDUCTOR CO	4,720,000	TWD	82,715,740	8.53
			<b>138,892,024</b>	<b>14.32</b>
<b>Thailand</b>				
AIRPORTS THAILAND-UNITS NON-VOT DEP REC	4,000,000	THB	6,307,816	0.65
BANGKOK DUSIT MEDICAL SERVICES PUBLIC	3,800,000	THB	2,783,093	0.29
KASIKORN BANK UNITS NVDR	1,120,000	THB	3,990,551	0.41
PTT PUBLIC COMPANY LTD LIMITED	6,800,000	THB	6,416,026	0.66
			<b>19,497,486</b>	<b>2.01</b>
<b>Turkey</b>				
BIM BIRLESIK MAGAZALAR	1,120,000	TRY	10,527,442	1.09
TURKIYE GARANTI BANKASI AS (NAMEN-AKT)	3,600,000	TRY	6,195,418	0.64
			<b>16,722,860</b>	<b>1.72</b>
<b>United States of America</b>				
COUPANG INC	240,000	USD	3,550,655	0.37
MERCADOLIBRE	5,600	USD	8,004,483	0.83
			<b>11,555,138</b>	<b>1.19</b>
<b>Total Shares</b>			<b>952,323,382</b>	<b>98.21</b>
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>952,323,382</b>	<b>98.21</b>
<b>Other transferable securities</b>				
<b>Shares</b>				
<b>Russia</b>				
MAGNIT SHS	169,180	USD	0	0.00
			<b>0</b>	<b>0.00</b>
<b>Total Shares</b>			<b>0</b>	<b>0.00</b>
<b>Rights</b>				
<b>Brazil</b>				
LOCA RENT A CAR 05/02/24 RIGHT	2,583	BRL	9,613	0.00
			<b>9,613</b>	<b>0.00</b>
<b>Total Rights</b>			<b>9,613</b>	<b>0.00</b>
<b>Total Other transferable securities</b>			<b>9,613</b>	<b>0.00</b>
<b>Total investment portfolio</b>			<b>952,332,995</b>	<b>98.21</b>
Acquisition cost			920,453,594	

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



## Candriam Equities L Emerging Markets

### Geographical and economic breakdown of investments as at December 31, 2023

#### Geographical breakdown (in % of net assets)

India	17.06
Cayman Islands	15.03
Taiwan	14.32
South Korea	13.38
People's Republic of China	10.56
Brazil	5.92
South Africa	4.62
Mexico	4.46
Indonesia	2.73
Luxembourg	2.68
Thailand	2.01
Turkey	1.72
United States of America	1.19
Poland	0.92
Hong Kong	0.82
Malaysia	0.78
Russia	0.00
	<b>98.21</b>

#### Economic breakdown (in % of net assets)

Banks and other financial institutions	20.66
Electronics and semiconductors	18.05
Internet and internet services	9.34
Foods and non alcoholic drinks	5.23
Road vehicles	3.60
Communication	3.50
Graphic art and publishing	3.40
Pharmaceuticals	3.28
Electrical engineering	3.15
Miscellaneous services	3.13
Machine and apparatus construction	3.06
Chemicals	3.02
Petroleum	2.95
Insurance	2.45
Precious metals and stones	2.24
Office supplies and computing	2.17
Coal mining and steel industry & Chemicals	1.86
Biotechnology	1.28
Non ferrous metals	1.23
Healthcare	0.82
Real estate	0.77
Retail trade and department stores	0.74
Building materials	0.69
Aeronautic and astronautic Industry	0.65
Tobacco and alcoholic drinks	0.37
Transportation	0.33
Textiles and garments	0.23
	<b>98.21</b>

Any differences in the percentage of Net Assets are the result of roundings.



## Candriam Equities L EMU Innovation

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Shares</b>				
<b>Belgium</b>				
KBC GROUPE SA	33,566	EUR	1,970,996	4.11
			<b>1,970,996</b>	<b>4.11</b>
<b>Denmark</b>				
GENMAB AS	2,354	DKK	680,507	1.42
			<b>680,507</b>	<b>1.42</b>
<b>France</b>				
BIOMERIEUX SA	20,207	EUR	2,032,824	4.23
DASSAULT SYST.	50,076	EUR	2,215,112	4.61
ESSILORLUXOTTICA SA	7,727	EUR	1,403,223	2.92
L'OREAL SA	3,301	EUR	1,487,596	3.10
SANOFI	17,890	EUR	1,605,806	3.35
SCHNEIDER ELECTRIC SE	10,526	EUR	1,913,416	3.99
			<b>10,657,977</b>	<b>22.20</b>
<b>Germany</b>				
BEIERSDORF AG	15,618	EUR	2,119,363	4.41
CARL ZEISS MEDITEC AG	24,906	EUR	2,461,709	5.13
INFINEON TECHNOLOGIES - REG SHS	19,713	EUR	745,151	1.55
NEMETSCHEK	10,021	EUR	786,448	1.64
RATIONAL NAMEN	1,160	EUR	811,420	1.69
SIEMENS AG PREFERENTIAL SHARE	7,104	EUR	1,207,112	2.51
SIEMENS HEALTHINEERS	28,386	EUR	1,493,104	3.11
STRATEC N REG SHS	14,980	EUR	682,339	1.42
SYMRISE AG	14,513	EUR	1,446,075	3.01
			<b>11,752,721</b>	<b>24.48</b>
<b>Ireland</b>				
KERRY GROUP -A-	29,183	EUR	2,295,535	4.78
KINGSPAN GROUP	21,009	EUR	1,647,106	3.43
			<b>3,942,641</b>	<b>8.21</b>
<b>Italy</b>				
FINCOBANK	183,547	EUR	2,493,486	5.19
ILLIMITY BANK SPA - BEARER SHS	44,318	EUR	241,755	0.50
			<b>2,735,241</b>	<b>5.70</b>
<b>Luxembourg</b>				
GRAND CITY PROPERTIES	97,011	EUR	987,572	2.06
MIPS AB	10,534	SEK	344,904	0.72
			<b>1,332,476</b>	<b>2.78</b>
<b>Netherlands</b>				
ADYEN	645	EUR	752,457	1.57
ASML HOLDING NV	3,712	EUR	2,530,471	5.27
CORBION	10,252	EUR	198,684	0.41
			<b>3,481,612</b>	<b>7.25</b>
<b>Norway</b>				
TOMRA SYSTEMS ASA	93,425	NOK	1,028,062	2.14
			<b>1,028,062</b>	<b>2.14</b>
<b>Spain</b>				
AMADEUS IT GROUP SA -A-	11,940	EUR	774,667	1.61
INDITEX SHARE FROM SPLIT	59,484	EUR	2,345,454	4.89
			<b>3,120,121</b>	<b>6.50</b>
<b>Sweden</b>				
ASSA ABLOY -B- NEW I	18,869	SEK	492,043	1.02
HEXAGON - REG SHS -B-	88,254	SEK	958,843	2.00
			<b>1,450,886</b>	<b>3.02</b>
<b>Switzerland</b>				
DSM FIRMENICH	26,682	EUR	2,454,744	5.11
			<b>2,454,744</b>	<b>5.11</b>
<b>Total Shares</b>			<b>44,607,984</b>	<b>92.92</b>

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



## Candriam Equities L EMU Innovation

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>44,607,984</b>	<b>92.92</b>
<b>Total investment portfolio</b>			<b>44,607,984</b>	<b>92.92</b>
Acquisition cost			42,439,582	





## Candriam Equities L EMU Innovation

### Geographical and economic breakdown of investments as at December 31, 2023

#### Geographical breakdown (in % of net assets)

Germany	24.48
France	22.20
Ireland	8.21
Netherlands	7.25
Spain	6.50
Italy	5.70
Switzerland	5.11
Belgium	4.11
Sweden	3.02
Luxembourg	2.78
Norway	2.14
Denmark	1.42
	<b>92.92</b>

#### Economic breakdown (in % of net assets)

Pharmaceuticals	26.25
Banks and other financial institutions	16.48
Electrical engineering	8.19
Internet and internet services	7.87
Electronics and semiconductors	6.82
Machine and apparatus construction	6.59
Foods and non alcoholic drinks	5.20
Retail trade and department stores	4.89
Building materials	3.43
Chemicals	3.01
Real estate	2.06
Biotechnology	1.42
Miscellaneous services	0.72
	<b>92.92</b>



## Candriam Equities L Europe Innovation

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Shares</b>				
<b>Denmark</b>				
GENMAB AS	61,161	DKK	17,680,739	1.97
NOVOZYMES -B-	228,932	DKK	11,396,619	1.27
			<b>29,077,358</b>	<b>3.24</b>
<b>France</b>				
BIOMERIEUX SA	418,925	EUR	42,143,855	4.69
DASSAULT SYST.	930,069	EUR	41,141,601	4.58
ESSILORLUXOTTICA SA	97,813	EUR	17,762,841	1.98
L'OREAL SA	15,561	EUR	7,012,565	0.78
SANOFI	115,847	EUR	10,398,427	1.16
SCHNEIDER ELECTRIC SE	123,477	EUR	22,445,649	2.50
			<b>140,904,938</b>	<b>15.68</b>
<b>Germany</b>				
BEIERSDORF AG	149,712	EUR	20,315,919	2.26
CARL ZEISS MEDITEC AG	323,281	EUR	31,953,094	3.56
DUERR AG	195,962	EUR	4,189,668	0.47
INFINEON TECHNOLOGIES - REG SHS	155,521	EUR	5,878,693	0.65
NEMETSCHEK	144,644	EUR	11,351,661	1.26
SIEMENS AG PREFERENTIAL SHARE	53,343	EUR	9,064,042	1.01
SIEMENS HEALTHINEERS	335,074	EUR	17,624,892	1.96
STRATEC N REG SHS	218,671	EUR	9,960,464	1.11
SYMRISE AG	180,193	EUR	17,954,431	2.00
			<b>128,292,864</b>	<b>14.28</b>
<b>Ireland</b>				
KERRY GROUP -A-	470,706	EUR	37,025,734	4.12
KINGSPAN GROUP	253,186	EUR	19,849,783	2.21
			<b>56,875,517</b>	<b>6.33</b>
<b>Italy</b>				
FINECOBANK	2,708,733	EUR	36,798,138	4.09
ILLIMITY BANK SPA - BEARER SHS	889,689	EUR	4,853,255	0.54
			<b>41,651,393</b>	<b>4.63</b>
<b>Luxembourg</b>				
GRAND CITY PROPERTIES	977,474	EUR	9,950,685	1.11
MIPS AB	220,884	SEK	7,232,177	0.80
			<b>17,182,862</b>	<b>1.91</b>
<b>Netherlands</b>				
ADYEN	8,585	EUR	10,015,261	1.11
ASML HOLDING NV	36,115	EUR	24,619,596	2.74
CORBION	157,843	EUR	3,058,997	0.34
			<b>37,693,854</b>	<b>4.19</b>
<b>Norway</b>				
TOMRA SYSTEMS ASA	2,231,116	NOK	24,551,524	2.73
			<b>24,551,524</b>	<b>2.73</b>
<b>Spain</b>				
AMADEUS IT GROUP SA -A-	154,711	EUR	10,037,650	1.12
INDITEX SHARE FROM SPLIT	436,254	EUR	17,201,495	1.91
			<b>27,239,145</b>	<b>3.03</b>
<b>Sweden</b>				
ASSA ABLOY -B- NEW I	351,860	SEK	9,175,384	1.02
CELLAVISION	463,661	SEK	8,829,655	0.98
HEXAGON - REG SHS -B-	4,212,414	SEK	45,766,133	5.09
THULE CORP	253,013	SEK	6,238,678	0.69
			<b>70,009,850</b>	<b>7.79</b>
<b>Switzerland</b>				
DSM FIRMENICH	399,768	EUR	36,778,656	4.09
NESTLE SA PREFERENTIAL SHARE	394,888	CHF	41,417,154	4.61
ROCHE HOLDING LTD	72,338	CHF	19,024,030	2.12

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



## Candriam Equities L Europe Innovation

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
TECAN GROUP NAM.AKT	86,279	CHF	31,868,569	3.55
			<b>129,088,409</b>	<b>14.36</b>
<b>United Kingdom</b>				
ADMIRAL GROUP PLC	562,971	GBP	17,437,126	1.94
ASTRAZENECA PLC	155,941	GBP	19,075,351	2.12
CRODA INTL - REG SHS	159,458	GBP	9,292,746	1.03
HALMA PLC	1,619,121	GBP	42,675,810	4.75
JOHNSON MATTHEY	522,915	GBP	10,243,473	1.14
RECKITT BENCKISER GROUP PLC	325,611	GBP	20,365,953	2.27
SPIRAX-SARCO ENGIN	321,396	GBP	38,962,149	4.34
YOUGOV PLC	330,893	GBP	4,505,842	0.50
			<b>162,558,450</b>	<b>18.09</b>
<b>Total Shares</b>			<b>865,126,164</b>	<b>96.27</b>
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>865,126,164</b>	<b>96.27</b>
<b>Total investment portfolio</b>			<b>865,126,164</b>	<b>96.27</b>
Acquisition cost			838,652,783	



## Candriam Equities L Europe Innovation

Geographical and economic breakdown of investments as at December 31, 2023

### Geographical breakdown (in % of net assets)

United Kingdom	18.09
France	15.68
Switzerland	14.36
Germany	14.28
Sweden	7.79
Ireland	6.33
Italy	4.63
Netherlands	4.19
Denmark	3.24
Spain	3.03
Norway	2.73
Luxembourg	1.91
	<b>96.27</b>

### Economic breakdown (in % of net assets)

Pharmaceuticals	24.17
Machine and apparatus construction	14.76
Banks and other financial institutions	9.84
Foods and non alcoholic drinks	9.07
Electronics and semiconductors	8.14
Internet and internet services	6.96
Chemicals	4.30
Electrical engineering	3.51
Miscellaneous consumer goods	2.96
Biotechnology	2.95
Building materials	2.21
Insurance	1.94
Retail trade and department stores	1.91
Miscellaneous services	1.31
Precious metals and stones	1.14
Real estate	1.11
	<b>96.27</b>



## Candriam Equities L Europe Optimum Quality

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Shares</b>				
<b>Belgium</b>				
AEDIFICA SA	109,399	EUR	6,963,246	1.23
KBC GROUPE SA	309,321	EUR	18,163,329	3.22
WAREHOUSES DE PAUW SCA - REGISTERED SHS	244,315	EUR	6,962,978	1.23
			<b>32,089,553</b>	<b>5.68</b>
<b>Czech Republic</b>				
KOMERCNI BANKA AS	131,770	CZK	3,866,876	0.68
			<b>3,866,876</b>	<b>0.68</b>
<b>Denmark</b>				
CHRISTIAN HANSEN	37,899	DKK	2,878,566	0.51
GENMAB AS	38,760	DKK	11,204,942	1.98
NOVOZYMES -B-	173,617	DKK	8,642,947	1.53
TOPDANMARK AS	136,053	DKK	5,884,122	1.04
TRYG A/S	579,738	DKK	11,424,367	2.02
VESTAS WIND SYSTEMS - BEARER AND/OR SHS	165,624	DKK	4,761,283	0.84
			<b>44,796,227</b>	<b>7.93</b>
<b>Finland</b>				
NESTE	184,236	EUR	5,934,242	1.05
			<b>5,934,242</b>	<b>1.05</b>
<b>France</b>				
AIR LIQUIDE SA	64,959	EUR	11,440,579	2.03
BIOMERIEUX SA	191,819	EUR	19,296,990	3.42
BUREAU VERITAS SA	786,702	EUR	17,991,875	3.19
DASSAULT SYST.	388,591	EUR	17,189,323	3.04
ESSILORLUXOTTICA SA	61,454	EUR	11,160,046	1.98
L'OREAL SA	13,310	EUR	5,998,152	1.06
LVMH MOET HENNESSY LOUIS VUITTON SE	15,223	EUR	11,167,593	1.98
SANOFI	127,444	EUR	11,439,373	2.03
SCHNEIDER ELECTRIC SE	46,788	EUR	8,505,123	1.51
			<b>114,189,054</b>	<b>20.22</b>
<b>Germany</b>				
BEIERSDORF AG	134,432	EUR	18,242,421	3.23
CARL ZEISS MEDITEC AG	89,430	EUR	8,839,261	1.57
HANNOVER RUECK SE	13,660	EUR	2,954,658	0.52
SIEMENS AG PREFERENTIAL SHARE	34,452	EUR	5,854,084	1.04
SIEMENS HEALTHINEERS	217,776	EUR	11,455,018	2.03
SYMRISE AG	53,116	EUR	5,292,478	0.94
			<b>52,637,920</b>	<b>9.32</b>
<b>Guernsey</b>				
SHURGARD SELF STORAGE LTD	71,661	EUR	3,214,712	0.57
			<b>3,214,712</b>	<b>0.57</b>
<b>Ireland</b>				
KERRY GROUP -A-	229,013	EUR	18,014,163	3.19
			<b>18,014,163</b>	<b>3.19</b>
<b>Italy</b>				
FINECOBANK	1,032,752	EUR	14,029,936	2.48
			<b>14,029,936</b>	<b>2.48</b>
<b>Luxembourg</b>				
GRAND CITY PROPERTIES	565,278	EUR	5,754,530	1.02
			<b>5,754,530</b>	<b>1.02</b>
<b>Netherlands</b>				
ALFEN NV	115,471	EUR	6,960,592	1.23
ASML HOLDING NV	22,294	EUR	15,197,820	2.69
			<b>22,158,412</b>	<b>3.92</b>
<b>Norway</b>				
TOMRA SYSTEMS ASA	375,473	NOK	4,131,759	0.73
			<b>4,131,759</b>	<b>0.73</b>

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



## Candriam Equities L Europe Optimum Quality

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>Spain</b>				
AMADEUS IT GROUP SA -A-	43,194	EUR	2,802,427	0.50
BANKINTER SA - REG SHS	1,102,138	EUR	6,387,992	1.13
INDITEX SHARE FROM SPLIT	73,862	EUR	2,912,379	0.52
			<b>12,102,798</b>	<b>2.14</b>
<b>Switzerland</b>				
BACHEM HOLDING LTD SHARES	41,862	CHF	2,926,783	0.52
DSM FIRMENICH	193,205	EUR	17,774,860	3.15
KARDEX HOLDING AG	12,472	CHF	2,924,487	0.52
LONZA GROUP	16,118	CHF	6,132,017	1.09
NESTLE SA PREFERENTIAL SHARE	160,754	CHF	16,860,409	2.99
ROCHE HOLDING LTD	52,221	CHF	13,733,500	2.43
SIG GROUP PREFERENTIAL SHARE	530,708	CHF	11,045,713	1.96
TECAN GROUP NAM.AKT	43,747	CHF	16,158,675	2.86
			<b>87,556,444</b>	<b>15.50</b>
<b>United Kingdom</b>				
ADMIRAL GROUP PLC	356,785	GBP	11,050,845	1.96
ASTRAZENECA PLC	95,300	GBP	11,657,492	2.06
BIG YELLOW GROUP PLC	220,000	GBP	3,102,418	0.55
COMPASS GROUP	468,355	GBP	11,598,752	2.05
CRODA INTL - REG SHS	101,745	GBP	5,929,401	1.05
GRAINGER PLC	2,281,939	GBP	6,962,607	1.23
HALMA PLC	258,106	GBP	6,803,002	1.20
INTERTEK GROUP PLC	177,464	GBP	8,695,541	1.54
RECKITT BENCKISER GROUP PLC	313,031	GBP	19,579,113	3.47
RELX PLC	154,609	GBP	5,548,832	0.98
RENTOKIL INITIAL PLC	1,151,563	GBP	5,857,816	1.04
SPIRAX-SARCO ENGIN	76,024	GBP	9,216,227	1.63
UNILEVER	46,514	EUR	2,039,871	0.36
UNILEVER	335,349	GBP	14,705,743	2.60
UNITE GROUP PLC	121,117	GBP	1,459,190	0.26
			<b>124,206,850</b>	<b>22.00</b>
<b>Total Shares</b>			<b>544,683,476</b>	<b>96.45</b>
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>544,683,476</b>	<b>96.45</b>
<b>Total investment portfolio</b>			<b>544,683,476</b>	<b>96.45</b>
Acquisition cost			540,330,420	

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



## Candriam Equities L Europe Optimum Quality

Geographical and economic breakdown of investments as at December 31, 2023

### Geographical breakdown (in % of net assets)

United Kingdom	22.00
France	20.22
Switzerland	15.50
Germany	9.32
Denmark	7.93
Belgium	5.68
Netherlands	3.92
Ireland	3.19
Italy	2.48
Spain	2.14
Finland	1.05
Luxembourg	1.02
Norway	0.73
Czech Republic	0.68
Guernsey	0.57
	<b>96.45</b>

### Economic breakdown (in % of net assets)

Pharmaceuticals	22.66
Banks and other financial institutions	14.37
Foods and non alcoholic drinks	9.14
Chemicals	6.63
Real estate	6.10
Insurance	5.55
Miscellaneous services	4.22
Electronics and semiconductors	3.90
Internet and internet services	3.54
Textiles and garments	3.52
Miscellaneous consumer goods	3.47
Machine and apparatus construction	2.88
Electrical engineering	2.54
Biotechnology	2.49
Hotels and restaurants	2.05
Petroleum	1.05
Graphic art and publishing	0.98
Utilities	0.84
Retail trade and department stores	0.52
	<b>96.45</b>

Any differences in the percentage of Net Assets are the result of roundings.



## Candriam Equities L Global Demography

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Shares</b>				
<b>Belgium</b>				
KBC GROUPE SA	420,358	EUR	24,683,422	1.57
			<b>24,683,422</b>	<b>1.57</b>
<b>Finland</b>				
KONE OYJ -B-	363,686	EUR	16,424,060	1.05
			<b>16,424,060</b>	<b>1.05</b>
<b>France</b>				
AXA SA	478,447	EUR	14,109,402	0.90
CIE GENERALE DES ETABLISSEMENTS MICHELIN	525,176	EUR	17,047,213	1.09
LVMH MOET HENNESSY LOUIS VUITTON SE	37,883	EUR	27,790,969	1.77
VINCI SA	114,988	EUR	13,074,136	0.83
			<b>72,021,720</b>	<b>4.59</b>
<b>Hong Kong</b>				
AIA GROUP LTD	1,892,402	HKD	14,929,479	0.95
			<b>14,929,479</b>	<b>0.95</b>
<b>Ireland</b>				
LINDE PLC	55,093	USD	20,432,763	1.30
			<b>20,432,763</b>	<b>1.30</b>
<b>Japan</b>				
HOYA CORP	74,400	JPY	8,420,151	0.54
MITSUBISHI UFJ FINANCIAL GROUP INC	2,383,700	JPY	18,543,548	1.18
NINTENDO CO LTD	375,800	JPY	17,757,973	1.13
SMC CORP	25,100	JPY	12,210,445	0.78
UNI CHARM	553,600	JPY	18,122,317	1.16
			<b>75,054,434</b>	<b>4.79</b>
<b>Jersey</b>				
APTIV PLC	240,782	USD	19,556,385	1.25
			<b>19,556,385</b>	<b>1.25</b>
<b>Netherlands Antilles</b>				
SLB	325,891	USD	15,352,707	0.98
			<b>15,352,707</b>	<b>0.98</b>
<b>Netherlands</b>				
ASML HOLDING NV	36,490	EUR	24,875,233	1.59
			<b>24,875,233</b>	<b>1.59</b>
<b>Switzerland</b>				
NESTLE SA PREFERENTIAL SHARE	374,551	CHF	39,284,143	2.51
SIKA - REGISTERED SHS	28,000	CHF	8,243,089	0.53
TE CONNECTIVITY LTD - REG SHS	127,555	USD	16,223,670	1.04
			<b>63,750,902</b>	<b>4.07</b>
<b>United Kingdom</b>				
ANTOFAGASTA PLC	457,069	GBP	8,858,662	0.57
ASTRAZENECA PLC	139,349	GBP	17,045,749	1.09
DIAGEO PLC	742,472	GBP	24,470,602	1.56
RELX PLC	480,342	EUR	17,205,850	1.10
UNILEVER	558,833	EUR	24,507,621	1.56
			<b>92,088,484</b>	<b>5.87</b>
<b>United States of America</b>				
ABBOTT LABORATORIES	243,701	USD	24,282,958	1.55
ADOBE INC	27,736	USD	14,979,675	0.96
ADVANCED MICRO DEVICES INC	64,745	USD	8,639,895	0.55
ALPHABET INC -A-	508,065	USD	64,248,042	4.10
AMAZON.COM INC	199,472	USD	27,436,542	1.75
AMGEN INC	55,538	USD	14,480,654	0.92
APPLE INC	562,906	USD	98,109,168	6.26
BANK OF AMERICA CORP	899,456	USD	27,415,637	1.75
BROADCOM INC - REGISTERED SHS	23,211	USD	23,454,740	1.50
BROWN AND BROWN INC	155,470	USD	10,008,122	0.64

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.





## Candriam Equities L Global Demography

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
CATERPILLAR - REG SHS	60,080	USD	16,080,979	1.03
CISCO SYSTEMS INC	273,109	USD	12,490,351	0.80
CONSOLIDATED EDISON INC	315,727	USD	26,000,711	1.66
COSTCO WHOLESALE CORP	28,000	USD	16,731,309	1.07
ELI LILLY & CO	25,215	USD	13,305,869	0.85
EMERSON ELECTRIC CO	186,657	USD	16,446,228	1.05
FORTIVE CORP	319,485	USD	21,295,144	1.36
HALLIBURTON	332,726	USD	10,888,557	0.69
HOME DEPOT INC	65,833	USD	20,653,081	1.32
JPMORGAN CHASE CO	157,080	USD	24,188,031	1.54
MARVELL TECH --- REGISTERED SHS	326,285	USD	17,814,012	1.14
MASTERCARD INC -A-	68,967	USD	26,628,448	1.70
MCDONALD'S CORP	75,789	USD	20,343,273	1.30
MERCK & CO INC	281,957	USD	27,826,870	1.78
METTLER TOLEDO INTERNATIONAL	7,417	USD	8,144,231	0.52
MICROSOFT CORP	291,066	USD	99,083,382	6.32
MONDELEZ INTERNATIONAL INC	231,654	USD	15,189,154	0.97
NIKE INC	109,212	USD	10,733,849	0.68
NVIDIA CORP	58,069	USD	26,032,617	1.66
OTIS WORLDWIDE CORPORATION	180,810	USD	14,644,522	0.93
PARKER-HANNIFIN CORP	19,012	USD	7,929,053	0.51
PEPSICO INC	119,629	USD	18,392,966	1.17
PROCTER & GAMBLE CO	163,555	USD	21,696,782	1.38
PROGRESSIVE CORP	79,237	USD	11,425,220	0.73
S&P GLOBAL INC	48,315	USD	19,267,391	1.23
SEMPRA ENERGY	223,766	USD	15,137,857	0.97
SERVICENOW INC	14,509	USD	9,279,377	0.59
STARBUCKS CORP	208,314	USD	18,105,488	1.16
STRYKER CORP	57,905	USD	15,697,489	1.00
THERMO FISHER SCIENT SHS	37,272	USD	17,909,387	1.14
TJX COS INC	131,702	USD	11,184,506	0.71
UNITEDHEALTH GROUP INC	84,592	USD	40,316,073	2.57
VALERO ENERGY CORP	81,210	USD	9,557,145	0.61
VISA INC -A-	139,015	USD	32,763,821	2.09
WALT DISNEY CO	90,244	USD	7,376,210	0.47
WASTE MANAGEMENT	180,829	USD	29,318,313	1.87
			<b>1,042,933,129</b>	<b>66.53</b>
<b>Total Shares</b>			<b>1,482,102,718</b>	<b>94.55</b>
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>1,482,102,718</b>	<b>94.55</b>
<b>Total investment portfolio</b>			<b>1,482,102,718</b>	<b>94.55</b>
Acquisition cost			1,301,238,996	

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



## Candriam Equities L Global Demography

Geographical and economic breakdown of investments as at December 31, 2023

### Geographical breakdown (in % of net assets)

United States of America	66.53
United Kingdom	5.87
Japan	4.79
France	4.59
Switzerland	4.07
Netherlands	1.59
Belgium	1.57
Ireland	1.30
Jersey	1.25
Finland	1.05
Netherlands Antilles	0.98
Hong Kong	0.95
	<b>94.55</b>

### Economic breakdown (in % of net assets)

Internet and internet services	11.97
Banks and other financial institutions	11.22
Office supplies and computing	8.55
Electronics and semiconductors	8.49
Pharmaceuticals	7.19
Foods and non alcoholic drinks	6.21
Retail trade and department stores	4.85
Machine and apparatus construction	4.29
Insurance	3.22
Graphic art and publishing	2.80
Utilities	2.62
Healthcare	2.57
Miscellaneous consumer goods	2.54
Textiles and garments	2.46
Hotels and restaurants	2.45
Petroleum	2.28
Miscellaneous services	2.09
Environmental services and recycling	1.87
Tobacco and alcoholic drinks	1.56
Road vehicles	1.25
Tires and rubber	1.09
Electrical engineering	1.05
Building materials	0.83
Non ferrous metals	0.57
Chemicals	0.53
	<b>94.55</b>

Any differences in the percentage of Net Assets are the result of roundings.



## Candriam Equities L Life Care

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in USD)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Shares</b>				
<b>Belgium</b>				
ION BEAM APPLICATIONS	56,000	EUR	713,869	0.10
UCB	50,903	EUR	4,436,547	0.61
			<b>5,150,416</b>	<b>0.71</b>
<b>Denmark</b>				
COLOPLAST -B-	16,230	DKK	1,856,689	0.25
NOVO NORDISK - BEARER AND/OR - REG SHS	289,930	DKK	29,992,596	4.11
			<b>31,849,285</b>	<b>4.36</b>
<b>France</b>				
ESSILORLUXOTTICA SA	37,852	EUR	7,593,279	1.04
SANOFI	187,794	EUR	18,620,411	2.55
			<b>26,213,690</b>	<b>3.59</b>
<b>Germany</b>				
FRESENIUS SE	76,281	EUR	2,365,285	0.32
MERCK KGAA	12,619	EUR	2,008,693	0.28
SIEMENS HEALTHINEERS	170,000	EUR	9,877,780	1.35
			<b>14,251,758</b>	<b>1.95</b>
<b>Hong Kong</b>				
CSPC PHARMACEUTICAL	4,750,000	HKD	4,416,295	0.60
			<b>4,416,295</b>	<b>0.60</b>
<b>Ireland</b>				
ALKERMES	137,370	USD	3,810,644	0.52
ICON PLC	14,891	USD	4,215,195	0.58
MEDTRONIC HLD	319,117	USD	26,288,858	3.60
			<b>34,314,697</b>	<b>4.70</b>
<b>Japan</b>				
CHUGAI PHARMACEUTICAL	61,600	JPY	2,334,141	0.32
DAIICHI SANKYO CO LTD	139,800	JPY	3,839,592	0.53
EISAI	24,900	JPY	1,245,530	0.17
OLYMPUS CORP	392,100	JPY	5,675,132	0.78
SHINOBI CO LTD	38,700	JPY	1,866,099	0.26
TAKEDA PHARMACEUTICAL	112,200	JPY	3,226,407	0.44
			<b>18,186,901</b>	<b>2.49</b>
<b>Luxembourg</b>				
JMDC INC	55,700	JPY	1,684,275	0.23
WUXI XDC CAYMAN INC	1,808	HKD	7,409	0.00
			<b>1,691,684</b>	<b>0.23</b>
<b>People's Republic of China</b>				
SINOPHARM GROUP CO LTD	594,800	HKD	1,557,730	0.21
			<b>1,557,730</b>	<b>0.21</b>
<b>South Africa</b>				
ASPEN PHARMACARE HOLDINGS PLC	376,376	ZAR	4,188,241	0.57
			<b>4,188,241</b>	<b>0.57</b>
<b>Spain</b>				
ALMIRALL - BEARER SHS	337,885	EUR	3,144,586	0.43
			<b>3,144,586</b>	<b>0.43</b>
<b>Switzerland</b>				
ALCON - REG SHS	39,175	CHF	3,055,339	0.42
LONZA GROUP	14,454	CHF	6,074,422	0.83
NOVARTIS AG PREFERENTIAL SHARE	214,067	CHF	21,586,677	2.96
ROCHE HOLDING LTD	70,043	CHF	20,348,175	2.79
SANDOZ GROUP AG	189,437	CHF	6,090,802	0.83
SONOVA HOLDING NAM-AKT	14,192	CHF	4,627,107	0.63
TECAN GROUP NAM.AKT	5,817	CHF	2,373,456	0.33
			<b>64,155,978</b>	<b>8.79</b>
<b>United Kingdom</b>				
ASTRAZENECA PLC	105,638	GBP	14,274,375	1.96

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



Candriam Equities L Life Care

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in USD)	% net assets
CONVATEC GROUP REGD	1,327,574	GBP	4,132,715	0.57
			<b>18,407,090</b>	<b>2.52</b>
<b>United States of America</b>				
ABBOTT LABORATORIES	144,673	USD	15,924,157	2.18
ABBVIE INC	113,212	USD	17,544,464	2.40
AGILENT TECHNOLOGIES	30,816	USD	4,284,348	0.59
ALNYLAM PHARMACEUTICALS INC	13,980	USD	2,675,912	0.37
AMGEN INC	52,782	USD	15,202,272	2.08
BECTON DICKINSON	63,957	USD	15,594,635	2.14
BIOGEN IDEC INC	11,795	USD	3,052,192	0.42
BOSTON SCIENTIF CORP	338,020	USD	19,540,936	2.68
BRISTOL-MYERS SQUIBB CO	154,753	USD	7,940,376	1.09
BRUKER BIOSCIENCES	97,350	USD	7,153,278	0.98
COOPER COMPANIES INC	9,502	USD	3,595,937	0.49
CVS HEALTH	222,373	USD	17,558,572	2.41
DANAHER CORP	83,724	USD	19,368,710	2.65
DENTSPLY SIRONA INC	86,184	USD	3,067,289	0.42
DEXCOM INC	95,881	USD	11,897,873	1.63
ELEVANCE HEALTH	22,001	USD	10,374,792	1.42
ELI LILLY & CO	59,683	USD	34,790,414	4.77
ENCOMPASS HLTH	62,680	USD	4,182,010	0.57
EVOLENT HEALTH -A-	178,663	USD	5,901,239	0.81
GILEAD SCIENCES INC	45,283	USD	3,668,376	0.50
GLOBUS MEDICAL -A-	36,834	USD	1,962,884	0.27
HCA INC	12,284	USD	3,325,033	0.46
HOLOGIC INC	44,771	USD	3,198,888	0.44
HUMANA INC	38,661	USD	17,699,392	2.42
ILLUMINA INC	31,000	USD	4,316,440	0.59
INCYTE CORP	22,061	USD	1,385,210	0.19
INSULET	11,193	USD	2,428,657	0.33
INTUITIVE SURGICAL	24,744	USD	8,347,636	1.14
JOHNSON & JOHNSON	134,668	USD	21,107,862	2.89
LABORATORY CORP OF AMERICA HOLDINGS	11,289	USD	2,565,877	0.35
MCKESSON CORP	32,173	USD	14,895,456	2.04
MERCK & CO INC	255,802	USD	27,887,534	3.82
MONTE ROSA THERAPEUTICS INC	135,000	USD	762,750	0.10
NEUROCRINE BIOSCIENCES	22,386	USD	2,949,579	0.40
OPTION CARE HEALTH INC	220,000	USD	7,411,800	1.02
PFIZER INC	543,176	USD	15,638,037	2.14
PHREESIA INC	363,440	USD	8,413,636	1.15
QUEST DIAGNOSTICS	51,869	USD	7,151,698	0.98
REGENERON PHARMACEUTICALS INC	11,496	USD	10,096,822	1.38
SAREPTA THERAPEUTICS	43,445	USD	4,189,401	0.57
STRYKER CORP	23,465	USD	7,026,829	0.96
THERMO FISHER SCIENT SHS	45,668	USD	24,240,118	3.32
TREACE MEDICAL CONCEPTS INC	350,000	USD	4,462,500	0.61
UNITEDHEALTH GROUP INC	93,076	USD	49,001,722	6.71
VERTEX PHARMACEUTICALS INC	19,449	USD	7,913,604	1.08
ZIMMER BIOMET HLDGS SHS	34,633	USD	4,214,836	0.58
			<b>485,911,983</b>	<b>66.56</b>
<b>Total Shares</b>			<b>713,440,334</b>	<b>97.72</b>
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>713,440,334</b>	<b>97.72</b>
<b>Total investment portfolio</b>			<b>713,440,334</b>	<b>97.72</b>
Acquisition cost			685,249,295	

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



## Candriam Equities L Life Care

Geographical and economic breakdown of investments as at December 31, 2023

### Geographical breakdown (in % of net assets)

United States of America	66.56
Switzerland	8.79
Ireland	4.70
Denmark	4.36
France	3.59
United Kingdom	2.52
Japan	2.49
Germany	1.95
Belgium	0.71
Hong Kong	0.60
South Africa	0.57
Spain	0.43
Luxembourg	0.23
People's Republic of China	0.21
	<b>97.72</b>

### Economic breakdown (in % of net assets)

Pharmaceuticals	68.92
Healthcare	12.81
Biotechnology	4.83
Electronics and semiconductors	3.32
Machine and apparatus construction	2.65
Banks and other financial institutions	1.63
Internet and internet services	1.15
Chemicals	0.83
Miscellaneous services	0.80
Photographic and optics	0.78
	<b>97.72</b>

Any differences in the percentage of Net Assets are the result of roundings.



Candriam Equities L Meta Globe

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in USD)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Shares</b>				
<b>Cayman Islands</b>				
XIAOMI CORP - REGISTERED SHS -B-	1,214,044	HKD	2,425,419	1.62
			<b>2,425,419</b>	<b>1.62</b>
<b>France</b>				
DASSAULT SYST.	51,341	EUR	2,508,737	1.68
			<b>2,508,737</b>	<b>1.68</b>
<b>Germany</b>				
SIEMENS AG PREFERENTIAL SHARE	23,683	EUR	4,445,350	2.98
			<b>4,445,350</b>	<b>2.98</b>
<b>Japan</b>				
CAPCOM CO LTD	41,200	JPY	1,331,446	0.89
RENESAS ELECTRONICS	143,000	JPY	2,585,523	1.73
SONY CORP	46,200	JPY	4,394,538	2.94
			<b>8,311,507</b>	<b>5.56</b>
<b>Luxembourg</b>				
CLOUDFLARE INC	29,233	USD	2,433,940	1.63
GLOBANT REG SHS	10,085	USD	2,400,028	1.61
SNOWFLAKE INC-CLASS A	12,444	USD	2,476,356	1.66
			<b>7,310,324</b>	<b>4.89</b>
<b>Netherlands</b>				
UNIVERSAL MUSIC GROUP N.V.	86,287	EUR	2,460,130	1.65
			<b>2,460,130</b>	<b>1.65</b>
<b>People's Republic of China</b>				
GOERTEK INC. -A-	508,047	CNY	1,505,043	1.01
			<b>1,505,043</b>	<b>1.01</b>
<b>South Korea</b>				
NAVER	14,403	KRW	2,505,064	1.68
NCISOFT	7,267	KRW	1,357,026	0.91
			<b>3,862,090</b>	<b>2.59</b>
<b>Sweden</b>				
HEXAGON - REG SHS -B-	212,809	SEK	2,554,041	1.71
SURGICAL SCIENCE SWEDEN AB	53,663	SEK	971,784	0.65
			<b>3,525,825</b>	<b>2.36</b>
<b>Switzerland</b>				
LOGITECH - REG SHS	26,648	CHF	2,525,408	1.69
			<b>2,525,408</b>	<b>1.69</b>
<b>United States of America</b>				
ADOBE INC	7,131	USD	4,254,355	2.85
ADVANCED MICRO DEVICES INC	30,409	USD	4,482,592	3.00
AKAMAI TECHNOLOGIES	20,644	USD	2,443,217	1.64
ALPHABET INC -A-	31,103	USD	4,344,778	2.91
ANSYS INC	8,324	USD	3,020,613	2.02
APPLE INC	21,562	USD	4,151,332	2.78
ARISTA NETWORKS INC	10,368	USD	2,441,768	1.63
AUTODESK INC	10,354	USD	2,520,992	1.69
BENTLEY SYSTEMS --- REGISTERED SHS -B-	48,895	USD	2,551,341	1.71
BROADCOM INC - REGISTERED SHS	3,682	USD	4,110,033	2.75
CADENCE DESIGN SYSTEMS INC	9,053	USD	2,465,766	1.65
CROWDSTRIKE HOLDINGS INC	9,530	USD	2,433,200	1.63
ELECTRONIC ARTS - REGSHS	17,930	USD	2,453,003	1.64
EQUINIX INC	3,073	USD	2,474,963	1.66
GENERAL ELECTRI	34,162	USD	4,360,096	2.92
IBM CORP	25,954	USD	4,244,777	2.84
INTUITIVE SURGICAL	12,861	USD	4,338,787	2.91
KEYSIGHT TECHNOLOGIES	15,508	USD	2,467,168	1.65
LIVE NATION ENT	26,547	USD	2,484,799	1.66
MICRON TECHNOLOGY INC	30,358	USD	2,590,752	1.73

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



## Candriam Equities L Meta Globe

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in USD)	% net assets
MICROSOFT CORP	11,475	USD	4,315,059	2.89
NVIDIA CORP	8,352	USD	4,136,077	2.77
OKTA -A-	29,354	USD	2,657,418	1.78
PAYPAL HOLDINGS	40,281	USD	2,473,656	1.66
PTC INC	14,568	USD	2,548,817	1.71
QUALCOMM INC	29,819	USD	4,312,722	2.89
SKYWORKS SOLUTIONS INC	20,968	USD	2,357,223	1.58
TAIWAN SEMICONDUCTOR CO ADR (REPR 5 SHS)	41,656	USD	4,332,224	2.90
TAKE TWO INTERACTIVE SOFTWARE INC	15,615	USD	2,513,234	1.68
UNITY SOFTWARE INC	62,988	USD	2,575,579	1.72
WALT DISNEY CO	44,922	USD	4,056,007	2.72
ZSCALER INC	11,125	USD	2,464,855	1.65
<b>Total Shares</b>			<b>103,377,203</b>	<b>69.22</b>
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>142,257,036</b>	<b>95.25</b>
<b>Total investment portfolio</b>			<b>142,257,036</b>	<b>95.25</b>
Acquisition cost			124,001,738	



## Candriam Equities L Meta Globe

Geographical and economic breakdown of investments as at December 31, 2023

### Geographical breakdown (in % of net assets)

United States of America	69.22
Japan	5.56
Luxembourg	4.89
Germany	2.98
South Korea	2.59
Sweden	2.36
Switzerland	1.69
France	1.68
Netherlands	1.65
Cayman Islands	1.62
People's Republic of China	1.01
	<b>95.25</b>

### Economic breakdown (in % of net assets)

Internet and internet services	40.87
Electronics and semiconductors	16.66
Office supplies and computing	10.06
Electrical engineering	8.56
Banks and other financial institutions	3.25
Pharmaceuticals	2.91
Communication	2.89
Graphic art and publishing	2.72
Machine and apparatus construction	1.71
Hotels and restaurants	1.66
Miscellaneous services	1.66
Real estate	1.66
Healthcare	0.65
	<b>95.25</b>

Any differences in the percentage of Net Assets are the result of roundings.





## Candriam Equities L Oncology Impact

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in USD)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Shares</b>				
<b>Cayman Islands</b>				
BEIGENE - REG SHS	1,924,215	HKD	27,131,184	1.46
LEGEND BIOTECH CORP	130,000	USD	7,822,100	0.42
			<b>34,953,284</b>	<b>1.88</b>
<b>Denmark</b>				
COLOPLAST -B-	206,000	DKK	23,566,104	1.27
GENMAB AS	116,583	DKK	37,229,377	2.00
			<b>60,795,481</b>	<b>3.27</b>
<b>Germany</b>				
MERCK KGAA	260,742	EUR	41,504,929	2.23
MORPHOSYS	151,796	EUR	5,701,169	0.31
SIEMENS HEALTHINEERS	1,630,212	EUR	94,722,799	5.09
			<b>141,928,897</b>	<b>7.63</b>
<b>Ireland</b>				
ICON PLC	68,000	USD	19,248,760	1.03
			<b>19,248,760</b>	<b>1.03</b>
<b>Japan</b>				
ASTELLAS PHARMA	800,000	JPY	9,567,315	0.51
DAIICHI SANKYO CO LTD	1,082,400	JPY	29,727,997	1.60
OLYMPUS CORP	2,999,600	JPY	43,415,265	2.33
			<b>82,710,577</b>	<b>4.44</b>
<b>Luxembourg</b>				
LANTHEUS HOLDINGS INC	356,000	USD	22,072,000	1.19
REVOLUTION MEDICINES INC	353,376	USD	10,134,824	0.54
SPRINGWORKS THERAPEUTICS INC	200,619	USD	7,322,594	0.39
SYNDAX PHARMACEUTICALS INC	656,000	USD	14,176,160	0.76
			<b>53,705,578</b>	<b>2.89</b>
<b>Netherlands</b>				
IMMATICS NV	295,000	USD	3,106,350	0.17
MERUS - REG SHS	338,076	USD	9,297,090	0.50
			<b>12,403,440</b>	<b>0.67</b>
<b>Switzerland</b>				
LONZA GROUP	42,748	CHF	17,965,228	0.97
NOVARTIS AG PREFERENTIAL SHARE	860,000	CHF	86,723,045	4.66
ROCHE HOLDING LTD	433,697	CHF	125,993,211	6.77
SANDOZ GROUP AG	453,000	CHF	14,564,912	0.78
TECAN GROUP NAM.AKT	37,899	CHF	15,463,575	0.83
			<b>260,709,971</b>	<b>14.01</b>
<b>United Kingdom</b>				
ASTRAZENECA PLC	854,508	GBP	115,465,719	6.20
BICYCLE THERAPEUTICS PLC	580,934	USD	10,503,287	0.56
IMMUNOCORE HOLDINGS PLC-ADR	89,000	USD	6,080,480	0.33
			<b>132,049,486</b>	<b>7.09</b>
<b>United States of America</b>				
AGILENT TECHNOLOGIES	144,660	USD	20,112,080	1.08
AMGEN INC	186,468	USD	53,706,513	2.89
ARCELLX INC	242,000	USD	13,431,000	0.72
ARVINAS - REG SHS	348,254	USD	14,334,135	0.77
BIO RAD LABORATORIES -A-	40,012	USD	12,919,475	0.69
BLACK DIAMOND - REG SHS	540,000	USD	1,517,400	0.08
BLUEPRINT MEDICINES CORP	30,063	USD	2,773,011	0.15
CARIBOU BIOSCIEN	860,000	USD	4,927,800	0.26
COGENT BIOSCIENCES INC	232,449	USD	1,366,800	0.07
CRINETIC PHARMA - REG SHS	208,000	USD	7,400,640	0.40
DANAHER CORP	269,878	USD	62,433,577	3.35
DAY ONE BIOPHARMACEUTICALS INC	290,000	USD	4,234,000	0.23
ELI LILLY & CO	44,160	USD	25,741,747	1.38

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



## Candriam Equities L Oncology Impact

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in USD)	% net assets
EXACT SCIENCES CORP	200,000	USD	14,796,000	0.79
EXELIXIS	326,641	USD	7,836,118	0.42
GILEAD SCIENCES INC	720,000	USD	58,327,200	3.13
GUARDANT HEALTH --- REGISTERED SHS	291,123	USD	7,874,877	0.42
HALOZYME THERAPEUT -SHS-	90,138	USD	3,331,500	0.18
HOLOGIC INC	1,214,424	USD	86,770,595	4.66
IDEAYA BIOSCIENCES INC	315,000	USD	11,207,700	0.60
ILLUMINA INC	38,235	USD	5,323,841	0.29
IMMUNOGEN INC	782,876	USD	23,212,273	1.25
INCYTE CORP	387,120	USD	24,307,265	1.31
IOVANCE BIOTHERAPEUTICS INC	961,403	USD	7,816,206	0.42
IQVIA HOLDINGS INC	213,883	USD	49,488,249	2.66
KARM THES INC	530,630	USD	458,995	0.02
KEROS THERAPEUTICS INC	356,981	USD	14,193,565	0.76
KURA ONCOLOGY - REGISTERED	366,996	USD	5,277,402	0.28
KYMERA THERAPEUTICS INC	157,815	USD	4,017,970	0.22
MERCK & CO INC	1,588,089	USD	173,133,462	9.30
NATERA	167,000	USD	10,460,880	0.56
NEOGENOMICS-REGISTERED SHS	205,000	USD	3,316,900	0.18
NURIX THERAPETC - REG SHS	563,096	USD	5,811,151	0.31
NUVALENT INC-A SHARES	162,000	USD	11,921,580	0.64
OLEMA PHARMA --- REGISTERED SHS	215,000	USD	3,016,450	0.16
REGENERON PHARMACEUTICALS INC	100,834	USD	88,561,494	4.76
RELAY THERAPTCS - REGISTERED SHS	368,400	USD	4,056,084	0.22
SEAGEN INC	256,015	USD	58,627,435	3.15
SUTRO BIOPHARMA INC	550,369	USD	2,361,083	0.13
THERMO FISHER SCIENT SHS	172,082	USD	91,339,405	4.91
VERACYTE - REGISTERED SHS	610,898	USD	16,805,804	0.90
XENCOR INC	366,667	USD	7,784,340	0.42
ZAI LAB AMERICAN DEPOSITARY RECEIPT REPR	325,000	USD	8,882,250	0.48
			<b>1,035,216,252</b>	<b>55.62</b>
<b>Total Shares</b>			<b>1,833,721,726</b>	<b>98.52</b>
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>1,833,721,726</b>	<b>98.52</b>
<b>Total investment portfolio</b>			<b>1,833,721,726</b>	<b>98.52</b>
Acquisition cost			1,732,747,548	

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



## Candriam Equities L Oncology Impact

Geographical and economic breakdown of investments as at December 31, 2023

### Geographical breakdown (in % of net assets)

United States of America	55.62
Switzerland	14.01
Germany	7.63
United Kingdom	7.09
Japan	4.44
Denmark	3.27
Luxembourg	2.89
Cayman Islands	1.88
Ireland	1.03
Netherlands	0.67
	<b>98.52</b>

### Economic breakdown (in % of net assets)

Pharmaceuticals	55.62
Biotechnology	27.10
Electronics and semiconductors	4.91
Machine and apparatus construction	3.35
Banks and other financial institutions	2.96
Photographic and optics	2.33
Chemicals	0.97
Healthcare	0.71
Miscellaneous services	0.56
	<b>98.52</b>



## Candriam Equities L Risk Arbitrage Opportunities

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Shares</b>				
<b>Belgium</b>				
EURONAV NV	115,460	EUR	1,843,896	3.71
INTERVEST OFFICES	88,754	EUR	1,837,208	3.70
			<b>3,681,104</b>	<b>7.42</b>
<b>Finland</b>				
MUSTI GROUP OYJ	111,982	EUR	2,924,970	5.89
			<b>2,924,970</b>	<b>5.89</b>
<b>Germany</b>				
COVESTRO AG	3,349	EUR	176,425	0.36
TELEFONICA - REG SHS	1,153,273	EUR	2,712,498	5.46
			<b>2,888,923</b>	<b>5.82</b>
<b>Portugal</b>				
GREENVOLT ER	84,534	EUR	691,488	1.39
			<b>691,488</b>	<b>1.39</b>
<b>Spain</b>				
APPLUS SERVICES S.A.	219,866	EUR	2,198,660	4.43
			<b>2,198,660</b>	<b>4.43</b>
<b>United States of America</b>				
ECHOSTAR HOLDING - WHEN ISSUED	145,918	USD	2,188,803	4.41
IROBOT	8,196	USD	287,136	0.58
			<b>2,475,939</b>	<b>4.99</b>
<b>Total Shares</b>			<b>14,861,084</b>	<b>29.94</b>
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>14,861,084</b>	<b>29.94</b>
<b>Undertakings for Collective Investment</b>				
<b>Shares/Units in investment funds</b>				
<b>France</b>				
CANDRIAM MONÉTAIRE SICAV Z C	3,018	EUR	4,622,460	9.31
			<b>4,622,460</b>	<b>9.31</b>
<b>Total Shares/Units in investment funds</b>			<b>4,622,460</b>	<b>9.31</b>
<b>Total Undertakings for Collective Investment</b>			<b>4,622,460</b>	<b>9.31</b>
<b>Total investment portfolio</b>			<b>19,483,544</b>	<b>39.25</b>
Acquisition cost			19,094,547	

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



## Candriam Equities L Risk Arbitrage Opportunities

Geographical and economic breakdown of investments as at December 31, 2023

### Geographical breakdown (in % of net assets)

France	9.31
Belgium	7.42
Finland	5.89
Germany	5.82
United States of America	4.99
Spain	4.43
Portugal	1.39
	<b>39.25</b>

### Economic breakdown (in % of net assets)

Miscellaneous services	10.32
Investments funds	9.31
Communication	5.46
Banks and other financial institutions	4.41
Transportation	3.71
Real estate	3.70
Utilities	1.39
Miscellaneous consumer goods	0.58
Chemicals	0.36
	<b>39.25</b>



Candriam Equities L Robotics & Innovative Technology

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in USD)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Shares</b>				
<b>Cayman Islands</b>				
AMBARELLA INC	232,785	USD	14,267,393	0.78
			<b>14,267,393</b>	<b>0.78</b>
<b>France</b>				
SCHNEIDER ELECTRIC SE	227,471	EUR	45,676,922	2.49
			<b>45,676,922</b>	<b>2.49</b>
<b>Germany</b>				
SAP AG	236,818	EUR	36,488,108	1.99
SIEMENS AG PREFERENTIAL SHARE	269,506	EUR	50,586,850	2.76
			<b>87,074,958</b>	<b>4.75</b>
<b>Japan</b>				
DAIFUKU CO	1,266,100	JPY	25,617,466	1.40
FANUC CORP SHS	702,200	JPY	20,655,579	1.13
KEYENCE CORP	110,900	JPY	48,865,855	2.66
RENESAS ELECTRONICS	1,060,100	JPY	19,167,222	1.05
SMC CORP	73,900	JPY	39,712,471	2.17
			<b>154,018,593</b>	<b>8.40</b>
<b>Jersey</b>				
APTIV PLC	375,753	USD	33,712,559	1.84
			<b>33,712,559</b>	<b>1.84</b>
<b>Netherlands</b>				
ASML HOLDING NV	67,497	EUR	50,827,934	2.77
STMICROELECTRONICS NV	649,743	EUR	32,449,068	1.77
			<b>83,277,002</b>	<b>4.54</b>
<b>Switzerland</b>				
TECAN GROUP NAM.AKT	63,491	CHF	25,905,640	1.41
			<b>25,905,640</b>	<b>1.41</b>
<b>United States of America</b>				
ADOBE INC	64,908	USD	38,724,113	2.11
ADVANCED MICRO DEVICES INC	548,611	USD	80,870,748	4.41
ALPHABET INC -A-	763,599	USD	106,667,144	5.82
ANSYS INC	89,324	USD	32,413,893	1.77
APPLIED MATERIALS INC	239,999	USD	38,896,638	2.12
AUTODESK INC	154,802	USD	37,691,191	2.05
CADENCE DESIGN SYSTEMS INC	126,439	USD	34,438,190	1.88
CROWDSTRIKE HOLDINGS INC	152,974	USD	39,057,322	2.13
DATADOG INC	243,954	USD	29,611,137	1.61
EMERSON ELECTRIC CO	537,256	USD	52,291,126	2.85
INTUITIVE SURGICAL	138,189	USD	46,619,441	2.54
KEYSIGHT TECHNOLOGIES	255,243	USD	40,606,609	2.21
LAM RESEARCH CORP	57,817	USD	45,285,743	2.47
MARVELL TECH --- REGISTERED SHS	532,529	USD	32,116,824	1.75
MICRON TECHNOLOGY INC	446,708	USD	38,122,061	2.08
MICROSOFT CORP	261,826	USD	98,457,049	5.37
MONGODB INC	44,870	USD	18,345,100	1.00
NVIDIA CORP	114,041	USD	56,475,384	3.08
ON SEMICONDUCTOR CORP	288,873	USD	24,129,562	1.32
PALO ALTO NETWORKS	230,766	USD	68,048,278	3.71
PTC INC	329,734	USD	57,690,261	3.15
ROCKWELL AUTOMATION	140,739	USD	43,696,645	2.38
SALESFORCE INC	215,677	USD	56,753,246	3.09
SERVICENOW INC	88,806	USD	62,740,551	3.42
SILICON LABORATORIES INC	145,810	USD	19,286,289	1.05
TAIWAN SEMICONDUCTOR CO ADR (REPR 5 SHS)	419,310	USD	43,608,240	2.38
TRIMBLE	514,497	USD	27,371,240	1.49
UNIVERSAL DISPLAY	165,366	USD	31,627,901	1.72

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



## Candriam Equities L Robotics & Innovative Technology

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in USD)	% net assets
VEEVA SYSTEMS -A-	178,197	USD	34,306,486	1.87
			<b>1,335,948,412</b>	<b>72.84</b>
<b>Total Shares</b>			<b>1,779,881,479</b>	<b>97.04</b>
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>1,779,881,479</b>	<b>97.04</b>
<b>Total investment portfolio</b>			<b>1,779,881,479</b>	<b>97.04</b>
Acquisition cost			1,442,029,281	

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



## Candriam Equities L Robotics & Innovative Technology

Geographical and economic breakdown of investments as at December 31, 2023

### Geographical breakdown (in % of net assets)

United States of America	72.84
Japan	8.40
Germany	4.75
Netherlands	4.54
France	2.49
Jersey	1.84
Switzerland	1.41
Cayman Islands	0.78
	<b>97.04</b>

### Economic breakdown (in % of net assets)

Internet and internet services	40.97
Electronics and semiconductors	31.15
Electrical engineering	13.82
Pharmaceuticals	3.95
Machine and apparatus construction	3.56
Road vehicles	1.84
Banks and other financial institutions	1.75
	<b>97.04</b>





## Notes to the financial statements - Schedule of derivative instruments

### Forward foreign exchange contracts

As at December 31, 2023, the following forward foreign exchange contracts were outstanding:

#### Candriam Equities L Biotechnology

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Counterparty	Unrealised (in USD)
CHF	979,577	USD	1,125,228	16/01/2024	CACEIS Bank, Lux. Branch	40,417
EUR	119,484,126	USD	129,491,824	16/01/2024	CACEIS Bank, Lux. Branch	2,570,994
USD	17,722	CHF	15,157	16/01/2024	CACEIS Bank, Lux. Branch	(313)
USD	3,853,587	EUR	3,519,406	16/01/2024	CACEIS Bank, Lux. Branch	(36,304)
						<b>2,574,794</b>

#### Candriam Equities L Emerging Markets

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Counterparty	Unrealised (in EUR)
USD	95,100	EUR	88,035	16/01/2024	CACEIS Bank, Lux. Branch	(2,135)
						<b>(2,135)</b>

#### Candriam Equities L Europe Innovation

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Counterparty	Unrealised (in EUR)
USD	2,241,475	EUR	2,070,940	16/01/2024	CACEIS Bank, Lux. Branch	(42,960)
						<b>(42,960)</b>

#### Candriam Equities L Oncology Impact

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Counterparty	Unrealised (in USD)
CHF	8,084	JPY	1,326,452	12/01/2024	Société Générale	191
DKK	7,145	JPY	150,968	12/01/2024	J.P. Morgan AG	(13)
DKK	17,174	JPY	361,264	12/01/2024	BNP Paribas Paris	(20)
DKK	18,424	JPY	382,874	12/01/2024	Société Générale	11
EUR	20,653	JPY	3,231,480	12/01/2024	BNP Paribas Paris	(134)
EUR	224,258,748	USD	242,675,544	16/01/2024	CACEIS Bank, Lux. Branch	5,192,043
GBP	4,704	JPY	848,120	12/01/2024	BNP Paribas Paris	(28)
HKD	16,590	JPY	301,082	12/01/2024	J.P. Morgan AG	(14)
HKD	9,941	JPY	182,473	12/01/2024	BNP Paribas Paris	(23)
JPY	589,324	CHF	3,560	12/01/2024	J.P. Morgan AG	(48)
JPY	57,731,811	CHF	344,028	12/01/2024	Société Générale	949
JPY	390,395	DKK	18,483	12/01/2024	J.P. Morgan AG	33
JPY	15,520,369	DKK	731,751	12/01/2024	Société Générale	1,770
JPY	35,010,397	EUR	221,339	12/01/2024	BNP Paribas Paris	4,122
JPY	1,088,569	EUR	7,013	12/01/2024	Société Générale	(16)
JPY	327,417	GBP	1,806	12/01/2024	J.P. Morgan AG	24
JPY	952,478	GBP	5,257	12/01/2024	BNP Paribas Paris	65
JPY	26,385,448	GBP	143,337	12/01/2024	Société Générale	4,713
JPY	518,858	HKD	28,275	12/01/2024	J.P. Morgan AG	64
JPY	1,443,794	HKD	79,455	12/01/2024	BNP Paribas Paris	80
JPY	4,679,716	HKD	249,882	12/01/2024	Société Générale	1,237
JPY	4,456,560	USD	31,480	12/01/2024	BNP Paribas Paris	181
JPY	264,909,898	USD	1,814,364	12/01/2024	Société Générale	67,547
USD	4,641,319	EUR	4,227,691	16/01/2024	CACEIS Bank, Lux. Branch	(31,424)
USD	60,450	JPY	8,665,523	12/01/2024	BNP Paribas Paris	(1,111)
USD	19,135	JPY	2,787,328	12/01/2024	Société Générale	(666)
						<b>5,239,533</b>

#### Candriam Equities L Risk Arbitrage Opportunities

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Counterparty	Unrealised (in EUR)
EUR	116,543	GBP	100,000	12/01/2024	Société Générale	1,182
EUR	451,105	USD	500,000	12/01/2024	Barclays Bank Ireland Plc	(1,348)
EUR	2,114,575	USD	2,300,000	12/01/2024	Société Générale	33,304
EUR	723,781	USD	789,381	15/03/2024	Barclays Bank Ireland Plc	11,281
EUR	3,147,369	USD	3,433,858	15/03/2024	Société Générale	47,944
USD	1,300,712	EUR	1,211,794	15/03/2024	J.P. Morgan AG	(37,819)
USD	777,601	EUR	723,781	15/03/2024	Barclays Bank Ireland Plc	(21,945)
						<b>32,599</b>



## Notes to the financial statements - Schedule of derivative instruments

### Forward foreign exchange contracts (continued)

#### Candriam Equities L Robotics & Innovative Technology

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Counterparty	Unrealised (in USD)
EUR	18,430,665	USD	19,959,671	16/01/2024	CACEIS Bank, Lux. Branch	411,282
GBP	272,739	USD	342,241	16/01/2024	CACEIS Bank, Lux. Branch	5,465
USD	580,504	EUR	528,462	16/01/2024	CACEIS Bank, Lux. Branch	(3,589)
USD	7,511	GBP	5,932	16/01/2024	CACEIS Bank, Lux. Branch	(52)
						<b>413,106</b>

Please refer to Note 14 for collateral received/posted in relation with the forward foreign exchange contracts. These operations on forward foreign exchange contracts are mainly allocated to the classes of shares hedged against exchange risk.



## Notes to the financial statements - Schedule of derivative instruments

### Futures

As at December 31, 2023, the following futures contracts were outstanding:

#### Candriam Equities L Europe Optimum Quality

Quantity (purchase/(sale))	Description	Currency	Counterparty	Commitment (in EUR) (in absolute value)	Unrealised (in EUR)
<b>Futures on index</b>					
(5,550)	DJ EURO STOX 202403	EUR	J.P. Morgan AG	250,951,575	2,636,250
					<b>2,636,250</b>

#### Candriam Equities L Risk Arbitrage Opportunities

Quantity (purchase/(sale))	Description	Currency	Counterparty	Commitment (in EUR) (in absolute value)	Unrealised (in EUR)
<b>Futures on index</b>					
(38)	DJ.STOXX600 ./202403	EUR	J.P. Morgan AG	373,616	7,980
(12)	FTSE 250 Y2 /202403	GBP	J.P. Morgan AG	545,325	(28,929)
(8)	DJ EURO STOX 202403	EUR	J.P. Morgan AG	361,732	3,040
(5)	DJ EURO STOX /202403	EUR	J.P. Morgan AG	190,178	1,165
(3)	DJ.STOXX600 /202403	EUR	J.P. Morgan AG	194,412	(4,625)
(2)	NASDAQ 100 E /202403	USD	J.P. Morgan AG	609,276	(20,414)
(1)	S&P 500 EMIN /202403	USD	J.P. Morgan AG	215,898	(6,167)
					<b>(47,950)</b>

Please refer to Note 13 about Cash at broker related to futures.



## Notes to the financial statements - Schedule of derivative instruments

### Contracts for difference

As at December 31, 2023, the following CFD contracts were outstanding:

#### Candriam Equities L Risk Arbitrage Opportunities

Quantity	Long / Short position	Currency	Underlying	Counterparty	Commitment (in EUR) (in absolute value)	Unrealised (in EUR)
13,393	Long	USD	ABENGOA YIELD PL	J.P. Morgan SE	260,670	22,066
186,643	Long	GBP	LEARNING TECHNOLOGIES GROUP PLC	J.P. Morgan SE	174,463	16,692
132,682	Long	GBP	LEARNING TECHNOLOGIES GROUP PLC	Citibank Europe plc, Germany Branch	124,023	10,412
32,799	Long	NOK	CRAYON GROUP HOLDING ASA	Barclays Bank Ireland PLC	247,633	2,924
1,147	Short	USD	IROBOT	J.P. Morgan SE	0	0
5,014	Long	SEK	SWEDENCARE AB	Barclays Bank Ireland PLC	27,456	1,284
11,905	Long	USD	PIONER NATURAL R	UBS Europe SE Frankfurt	2,423,570	(78,350)
123,853	Long	GBP	NETWORK INTERNAT	Barclays Bank Ireland PLC	557,128	(2,573)
1,115	Short	EUR	OHB AG	UBS Europe SE Frankfurt	47,276	(502)
9,980	Long	USD	BLUEGREEN VACTN	Barclays Bank Ireland PLC	0	0
11,824	Long	USD	CARRIAGE SERVICE	J.P. Morgan SE	29,025	2,159
148,169	Long	GBP	NETWORK INTERNAT	J.P. Morgan SE	666,508	(3,078)
14,677	Long	GBP	ELECTROCOMPONENTS	Barclays Bank Ireland PLC	138,818	10,704
27,658	Short	USD	EXXON MOBIL CORP XNYS US	UBS Europe SE Frankfurt	2,503,279	75,364
13,788	Long	CHF	SOFTWONE HLDG -	UBS Europe SE Frankfurt	243,222	(20,318)
13,633	Short	USD	BROOKFIELD --- R	UBS Europe SE Frankfurt	495,757	(50,723)
90,692	Long	USD	ENGAGESMART INC	UBS Europe SE Frankfurt	1,880,095	5,747
31,480	Long	USD	RAMCO-GERSHENSON PROPERTIES	J.P. Morgan SE	367,347	22,810
21,325	Short	EUR	OHB SE	UBS Europe SE Frankfurt	913,243	640
414,621	Short	USD	DISH NETWORK -A-	J.P. Morgan SE	2,165,721	(454,587)
18,973	Short	USD	KIMCO REALTY	J.P. Morgan SE	366,012	(21,641)
1,772,837	Long	GBP	RESTAURANT GROUP PLC	UBS Europe SE Frankfurt	1,329,807	8,183
143,637	Long	NOK	ADEVINTA ASA ---	Barclays Bank Ireland PLC	1,439,123	4,264
28,218	Long	USD	MICHAEL KORS --- REGISTERED SHS	UBS Europe SE Frankfurt	1,283,368	46,491
46,506	Long	USD	STRATASYS LTD	Barclays Bank Ireland PLC	601,191	86,581
31,540	Long	USD	ENFUSION --- REG	UBS Europe SE Frankfurt	276,955	(11,421)
64,300	Long	JPY	JSR CORP XTKS JP	UBS Europe SE Frankfurt	1,659,796	(14,038)
66,236	Long	USD	ROVER GROUP ---	J.P. Morgan SE	652,376	(4,197)
1,959	Long	USD	SHOCKWAVE MED --	UBS Europe SE Frankfurt	337,941	14,826
15,516	Long	USD	ORCHARD THERAPEU	J.P. Morgan SE	231,058	3,371
27,427	Long	USD	AMERICAN EQUITY INVT LIFE HOLDIN	UBS Europe SE Frankfurt	1,385,440	5,462
51,169	Long	USD	TEXTAINER GROUP	UBS Europe SE Frankfurt	2,279,016	(2,316)
39,402	Long	USD	STANDARD PARKING CORP	UBS Europe SE Frankfurt	1,828,047	9,987
52,284	Long	SEK	NORDIC WATERPROO	J.P. Morgan SE	2,923,285	24,894
50,434	Long	USD	AMEDISYS INC	UBS Europe SE Frankfurt	2,159,707	45,751
15,491	Long	USD	HESS CORP	J.P. Morgan SE	2,021,620	86,151
108,503	Long	GBP	SMART METERING XLON GB	UBS Europe SE Frankfurt	1,176,999	(9,920)
15,872	Short	USD	CHEVRON CORP XNY	J.P. Morgan SE	2,143,183	(85,081)
3,563	Long	USD	HAWAIIAN HOLDINGS	Barclays Bank Ireland PLC	0	0
1,130,621	Long	EUR	TELECOM ITALIA SPA	Citibank Europe plc, Germany Branch	332,629	34,936
54,302	Long	USD	IMMUNOGEN INC	Citibank Europe plc, Germany Branch	1,457,524	0
42,622	Short	GBP	DECHARA PHARMACL	Barclays Bank Ireland PLC	0	0
380	Short	USD	AMEDISYS INC	Barclays Bank Ireland PLC	2,159,707	45,751
38,615	Long	USD	POINT BIOPHARMA	J.P. Morgan SE	0	0
31,304	Long	USD	SOVOS BRANDS INC	Barclays Bank Ireland PLC	150,290	750
49,169	Long	EUR	VIVENDI SA	Citibank Europe plc, Germany Branch	475,759	31,960
294,514	Long	SEK	NORDIC WATERPROO	Barclays Bank Ireland PLC	2,923,285	24,894
9,980	Short	USD	BLUEGREEN VACTN	UBS Europe SE Frankfurt	0	0
3,196	Long	USD	KARUNA THERAPEUT	UBS Europe SE Frankfurt	915,734	(2,209)
6,006	Short	USD	CARRIAGE SERVICE	UBS Europe SE Frankfurt	29,025	2,159
						<b>(113,741)</b>

Please refer to Note 13 about Cash at broker related to CFD contracts.



## Other notes to the financial statements

### Note 1 - General Information

Candriam Equities L (hereafter the "SICAV" or "the Fund") was incorporated for an indefinite period on April 27, 1994 under the name "BIL Equities" in the form of a Société d'Investissement à Capital Variable (SICAV) in accordance with the provisions of the part I of the law of December 17, 2010, as amended, relating to undertakings for collective investment and the Law of August 10, 1915, as amended, on commercial undertakings. Its minimum capital is EUR 1,250,000.

The Articles of Incorporation of the SICAV were published in the "Mémorial, Recueil des Sociétés et Associations" dated June 9, 1994. They have been modified several times, in particular, for the last time on April 6, 2020. The corresponding modifications were published in the "Recueil Electronique des Sociétés et Associations" ("RESA"). The SICAV is registered in the Luxembourg Commercial and Companies Register under the number B-47449.

The following sub-funds are currently available to investors:

<u>Sub-funds</u>	<u>Reference currency</u>
Candriam Equities L Australia	AUD
Candriam Equities L Biotechnology	USD
Candriam Equities L Emerging Markets	EUR
Candriam Equities L EMU Innovation	EUR
Candriam Equities L Europe Innovation	EUR
Candriam Equities L Europe Optimum Quality	EUR
Candriam Equities L Global Demography	EUR
Candriam Equities L Life Care	USD
Candriam Equities L Meta Globe	USD
Candriam Equities L Oncology Impact	USD
Candriam Equities L Risk Arbitrage Opportunities	EUR
Candriam Equities L Robotics & Innovative Technology	USD

The structure of multiple sub-funds offers investors not only the advantage of being able to choose between different sub-funds but also of being able to switch between these sub-funds if allowed. 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 issued share classes are the following:

- 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 **C class** is offered to individuals and companies.
- The **CB class** is reserved only for certain bank distributors approved by the Management Company.
- The **I class** is restricted exclusively to institutional investors whose initial minimum subscription is EUR 250,000. This minimum may be modified at the discretion of the Board of Directors, on condition that equal treatment of shareholders is ensured on the same valuation day. For the sub-fund Candriam Equities L Oncology Impact, the Board of Directors decided to close the share class I Distribution (ISIN: LU1864482432) with effect from July 11, 2022, since no further commercial interest has been identified for such a share class.
- The **I2 class** is a share class with no performance fee that is reserved solely for institutional investors with a minimum initial subscription of EUR 250,000, or the equivalent in foreign currencies for the classes denominated in foreign currencies (the Board of Directors may adjust this minimum at its discretion provided all shareholders are treated equally on a given valuation day).
- The **LOCK class** (hereinafter "L class") is a share class linked to a mechanism aimed at limiting the capital risk taken. This mechanism is offered only by Belfius Banque S.A., the sole distributor authorized to distribute these shares. By investing in this class, the investor agrees that the shares be automatically sold as soon as the net asset value has reached a predetermined amount (activation price). Thus when Belfius Banque S.A. ascertains that the net asset value is equal to or lower than the activation price, a redemption order is automatically generated and executed as soon as possible. The sale order will be globalized at the first cut-off date (closing date for receipt of orders) following the date on which the net asset value that gave rise to the automatic triggering of the redemption order was calculated. Given the specific nature of this class, potential investors are invited, before subscribing, to obtain information from their financial adviser at Belfius Banque S.A. in order to familiarize themselves with the technical and operational requirements related to this mechanism.
- The **N class** is restricted to distributors especially authorised by the Management Company.
- The **P class** is reserved for (i) occupational retirement pension institutions and/or similar investment vehicles, established at the initiative of one or more employers for the benefit of their employees and (ii) groups of one or more employers investing the funds that they hold in order to provide retirement benefits to their employees. The minimum initial subscription is EUR 15,000,000.



## Other notes to the financial statements

### Note 1 - General Information (Continued)

- The **PI class** is reserved for institutional investors which subscribe before the sub-fund has reached a critical size in terms of assets under management. The minimum initial subscription is EUR 1,000,000, or the equivalent amount in the relevant currency for classes denominated in other currencies (the Board of Directors may adjust this minimum at its discretion provided all shareholders are treated equally on a given valuation day). This class will remain open to subscriptions until one of the following events occurs: (i) the period set by the Board of Directors has expired; (ii) the sub-fund has reached a critical size in terms of assets under management, as defined by the Board of Directors; (iii) the Board of Directors has decided, on justified grounds, to close this class to subscriptions. The Board of Directors has the option of re-opening this share class at its discretion, without being obliged to inform investors beforehand.
- The **R class** is reserved for financial intermediaries (including distributors and platforms) which:
  - have separate arrangements with their clients for the provision of investment services related to the sub-fund, and
  - are not entitled to accept and retain from the Management Company and to retain, on account of their applicable laws and regulations or further to agreements with their clients, any fees, commissions or other monetary benefits in connection with the provision of the above-mentioned investment service.
- The **R2 class** is reserved:
  - for distributors and/or intermediaries approved by the Management Company and which do not receive, for investments in this class, any form of remuneration from an entity of the Candriam Group when the final investments in the shares are made in the context of a mandate.
  - for UCIs approved by the Management Company.
- The **S class** is a share class reserved exclusively for institutional investors which have been especially approved by the Management Company.
- The **SF2 class** is reserved for feeder funds approved by the Management Company and managed by delegation by an entity of the Candriam group. The minimum holding in this class is EUR 200,000,000 or the equivalent in foreign currencies for classes denominated in foreign currencies. This amount may be changed at the discretion of the Board of Directors provided that shareholders are treated equally.
- The **V class** is restricted exclusively to institutional investors whose initial minimum subscription is EUR 15,000,000 or its equivalent in foreign currencies for the classes denominated in foreign currencies (this minimum amount may be modified at the discretion of the Board of Directors, on condition that equal treatment of shareholders is ensured on the same valuation day).
- The **V2 class** is a share class with no performance fee and is restricted to institutional/professional investors, distributors and/or intermediaries approved by the Management Company, and whose initial minimum subscription is EUR 15,000,000 or the equivalent in foreign currencies for the classes denominated in foreign currencies (this amount can be reviewed at the directors' discretion; in this case, equal treatment of shareholders must be ensured on the same valuation day).
- The **Y class** is a share class reserved exclusively for institutional investors which have been especially approved by the Management Company.
- The **Z class** is reserved:
  - for institutional/professional investors approved by the Management Company. Since the portfolio management activity for this class is remunerated directly via the contract concluded with the investor, no portfolio management fee will be charged on the assets of this class.
  - for UCIs approved by the Management Company and managed by an entity of the Candriam Group.
- The **ZF class** is reserved for feeder UCIs approved by the Management Company and managed by an entity of the Candriam group.

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

Furthermore, a currency hedging process may be applied to the share classes:

- **Base currency hedged share classes:**  
These hedged share classes aim to reduce the effect of exchange rate fluctuations between the base currency of the sub-fund and the currency in which the hedged share class is denominated.  
The aim of this type of hedging is for the performance of the hedged share class to be reasonably comparable (after adjusting for the difference in interest rates between the two currencies) to the performance of a share class denominated in the sub-fund's base currency. This type of hedging is identified with the suffix H added in the denomination of the share class.
- **Asset hedged share classes:**  
These hedged share classes aim to reduce the effect of exchange rate fluctuations between the currencies in which a sub-fund's investments are held and the currency of the hedged share class. This type of hedging is identified with the suffix AH added in the denomination of the share class.

The shares issued are described in detail in the section "Statistics" of the various sub-funds.

In the frame of the Sustainable Finance Disclosure Regulation (SFDR), information on environmental and/or social characteristics and/or sustainable investments is available in the relevant annexes under the (unaudited) Sustainable Finance Disclosure Regulation section.



## Other notes to the financial statements

### Note 2 - Principal accounting policies

The financial statements of the SICAV are prepared in accordance with Luxembourg regulations relating to Undertakings for Collective Investment. Some small discrepancies might appear in some totals or sub-totals in the financial statements due to rounding rules.

The net asset values used for the purpose of the financial statements are dated:

- Sub-fund Candriam Equities L Australia: the net asset value has been calculated on December 31, 2023 on the basis of the closing stock market prices dated December 29, 2023;
- Sub-fund Candriam Equities L Emerging Markets : the net asset values has been calculated on December 31, 2023 on the basis of the stock market prices dated December 29, 2023 for Asian markets opened at that date and on the basis of the stock market prices dated December 28, 2023 for the other markets;
- For the other sub-funds of the SICAV, the net asset values dated December 31, 2023 have been calculated on January 2, 2024 on the basis of the last known prices at the time of the valuation.

This annual report is prepared on the basis of the last unofficial technical net asset values, calculated for the purpose of the financial statements as at December 31, 2023.

#### a) Valuation of each sub-fund's portfolio

The valuation of any security admitted for trading to an official listing or any other normally operating regulated market which is recognised and open to the public is based on the last price known in Luxembourg on the valuation date or, if this stock is traded on several markets, on the last known price on the principal market on which it is traded. If the last known price is not representative, the valuation shall be based on the probable realisation value as estimated by the Board of Directors with prudence and good faith. Securities which are neither quoted nor traded on a stock market or any other normally operating regulated market which is recognised and open to the public shall be valued on the basis of the probable realisation value as estimated with due prudence and good faith. All other assets shall be valued by the directors on the basis of the probable realisation value which must be estimated in good faith and according to generally accepted principles and procedures.

#### b) Net realised profits or losses on sales of investments

The realised profits or losses realised on sales of investments from each sub-fund are calculated based on the average cost of the investments sold.

#### c) Foreign currency translation

The values expressed in a currency other than the reference currency of each sub-fund are translated into that currency at the exchange rate prevailing at closing date.

Income and expenses in a currency other than the reference currency of each sub-fund are translated into that currency at the exchange rates prevailing at the transaction date.

The acquisition cost of securities in each sub-fund expressed in a currency other than the reference currency of the sub-fund is translated into that currency at the exchange rates prevailing at the day of purchase.

For the sub-funds Candriam Equities L Biotechnology, Candriam Equities L EMU Innovation, Candriam Equities L Europe Innovation, Candriam Equities L Europe Optimum Quality, Candriam Equities L Global Demography, Candriam Equities L Life Care, Candriam Equities L Oncology Impact, Candriam Equities L Robotics & Innovative Technology, Candriam Equities L Risk Arbitrage Opportunities, Candriam Equities L Meta Globe, the exchange rates used as at December 31, 2023 are as follows:

1 EUR =	1.618900	AUD	1 EUR =	24.688500	CZK	1 EUR =	155.733550	JPY	1 EUR =	4.343750	PLN
1 EUR =	1.456600	CAD	1 EUR =	7.454550	DKK	1 EUR =	1422.678800	KRW	1 EUR =	11.132500	SEK
1 EUR =	0.929700	CHF	1 EUR =	0.866550	GBP	1 EUR =	11.218500	NOK	1 EUR =	1.104650	USD
1 EUR =	7.834400	CNY	1 EUR =	8.625750	HKD	1 EUR =	1.744700	NZD	1 EUR =	20.201300	ZAR

For the sub-funds Candriam Equities L Australia, Candriam Equities L Emerging Markets, the exchange rates used as at December 31, 2023 are as follows:

1 EUR =	1.619380	AUD	1 EUR =	0.868070	GBP	1 EUR =	18.757800	MXN	1 EUR =	33.838300	TWD
1 EUR =	5.374200	BRL	1 EUR =	8.645400	HKD	1 EUR =	5.079100	MYR	1 EUR =	1.106500	USD
1 EUR =	1.464970	CAD	1 EUR =	382.320000	HUF	1 EUR =	4.337100	PLN	1 EUR =	20.484900	ZAR
1 EUR =	0.931070	CHF	1 EUR =	17039.760000	IDR	1 EUR =	1.459100	SGD			
1 EUR =	7.851200	CNY	1 EUR =	91.998900	INR	1 EUR =	37.889500	THB			
1 EUR =	24.711000	CZK	1 EUR =	1428.640000	KRW	1 EUR =	32.714500	TRY			



## Other notes to the financial statements

### Note 2 - Principal accounting policies (Continued)

#### d) Combined financial statements of the SICAV

The combined statement of the SICAV's net assets and the combined statement of changes in net assets which are expressed in EUR are the sum of the statement of net assets, the statement of changes in net assets of each sub-fund converted into the currency of the SICAV using exchange rates prevailing at the closing date.

#### e) Valuation of options and futures

The valuation of options and futures admitted to an official listing or any other organised market is based on the last known price or, if the option is traded on more than one market, on the basis of the last known price in the market on which the contract was concluded by the SICAV. Options and futures that are not traded on a stock exchange or any other organised market will be valued at their probable market value estimated conservatively and in good faith. The market value of options is included in the statement of net assets under the heading "options (long position) / (short position) at market value".

The realised gains / (losses) and change in unrealised appreciation / depreciation on options are disclosed in the statement of changes in net assets respectively under the headings "Net realised gain / (loss) on options" and "Change in net unrealised appreciation / depreciation on options".

The unrealised appreciation / (depreciation) on future contracts is disclosed in the statement of net assets under "Net unrealised appreciation / (depreciation) on futures". Changes in the market value of open future contracts are recorded as unrealised appreciation / (depreciation) in the statement of changes in net assets under "Change in net unrealised appreciation / depreciation on futures". Realised gains or losses, representing the difference between the value of the contract at the time it was opened and the value at the time it was closed, are reported at the closing or expiration of futures contracts in the statement of changes in net assets under "Net realised gain / (loss) on futures".

For the details of outstanding options or financial futures, if any, please refer to the section "Notes to the financial statements - Schedule of derivative instruments".

#### f) Valuation of Contracts for difference ("CFD")

Contracts for difference are valued at fair value based respectively on the last known spread curve, rates curve and last known closing price of the underlying asset.

The unrealised appreciation / (depreciation) on CFD is disclosed in the statement of net assets under "Net unrealised appreciation / (depreciation) on CFD". Realised gains / (losses) and change in unrealised appreciation / depreciation resulting there from are included in the statement of changes in net assets respectively under "Net realised gain / (loss) on CFD" and "Change in net unrealised appreciation / depreciation on CFD".

For the details of outstanding CFD contracts, if any, please refer to the section "Notes to the report - Schedule of derivative instruments".

#### g) Valuation of forward foreign exchange contracts

The forward foreign exchange contracts are valued on the basis of forward exchange rates prevailing at the closing date and applicable to the remaining period until the expiration date. The unrealised appreciation / (depreciation) on forward foreign exchange contracts is disclosed in the statement of net assets under "Net unrealised appreciation / (depreciation) on forward foreign exchange contracts".

Realised gains / (losses) and change in unrealised appreciation / depreciation resulting there from are included in the statement of changes in net assets respectively under "Net realised gain / (loss) on forward foreign exchanges contracts" and "Change in net unrealised appreciation / depreciation on forward foreign exchange contracts".

For the details of outstanding forward foreign exchange contracts, if any, please refer to the section "Notes to the financial statements - Schedule of derivative instruments".

#### h) Repurchase agreements

Each sub-fund may enter into repurchase agreements, which involve the sale and purchase of securities whose terms grant the seller the right to repurchase the securities at a price and terms stipulated by the parties at the time the contract is established.

#### i) Formation expenses

Formation expenses are amortised using the straight-line method over 5 years at 20% per annum.

#### j) Transaction costs

For the year ended December 31, 2023, the SICAV incurred transaction costs and broker's charges related to the purchase and sale of transferable securities, money market instruments, other eligible assets and derivatives instruments. Those charges are disclosed in the statement of changes in net assets under the heading "Transaction costs".

#### k) Income

Interest income is accrued pursuant to the terms of the underlying investment. Income is recorded net of respective withholding taxes, if any. Dividends are recognised on ex-date.

#### l) Abbreviations used in investment portfolios

A: Annual  
 FL.R: Floating Rate Notes  
 Q: Quarterly  
 S: Semi-Annual  
 XX: Perpetual Bonds  
 ZCP or U: Zero Coupon





## Other notes to the financial statements

### Note 3 - Management fees

Candriam, a partnership limited by shares under Luxembourg law whose registered office is located at SERENITY - Bloc B, 19-21, Route d'Arlon, L-8009 Strassen, has been appointed Management Company. An agreement to that effect was entered into for an unlimited term. Either party is entitled to terminate the agreement at any time by registered letter (with signed receipt requested) sent to the other party, subject to 90 days' notice.

Candriam is a subsidiary of Candriam Group, an entity of the New York Life Insurance Company group.

It is authorised as a Management Company of Chapter 15 of the law of December 17, 2010, concerning UCITS and is authorised to exercise the activities of collective portfolio management, investment portfolio management and to provide investment advisory services.

The Management Company is vested with the widest powers to carry out all actions relating to the management and administration of the SICAV within the scope of this purpose, in accordance with its articles of association. It is responsible for the portfolio management activities, administration activities (Administrative Agent, Transfer Agent (including the Register holding business)) and marketing activities (distribution).

The portfolio management function is performed directly by Candriam and/or by one or more of its branches : Candriam-Belgian Branch, Candriam - Succursale française, Candriam - UK Establishment.

The Management Company delegated, under its supervision, responsibility and expense, the implementation of portfolio management for the Candriam Equities L Australia sub-fund to Ausbil Management Limited via a delegation agreement entered into for an unlimited term. This agreement may be terminated by either party subject to advance written notice of 90 days.

The Management Company receives management fees as payment for its services, expressed as an annual percentage of the average net asset value. These fees are payable by the SICAV at the end of each month.

The rates applicable as at December 31, 2023 are as follows:

Sub-funds	Share class	Share type	ISIN	Management fee
Candriam Equities L Australia	C	Capitalisation	LU0078775011	1.50%
	C	Distribution	LU0078775284	1.50%
	C - EUR - Unhedged	Capitalisation	LU0256780106	1.50%
	I	Capitalisation	LU0133348622	0.55%
	I - EUR - Unhedged	Capitalisation	LU0256781096	0.55%
	N	Capitalisation	LU0133347731	2.00%
	N - EUR - Unhedged	Capitalisation	LU0256780874	2.00%
	R	Capitalisation	LU0942225839	0.70%
	V	Capitalisation	LU0317020385	0.35%
	Z	Capitalisation	LU0240973742	0.00%
Candriam Equities L Biotechnology	C	Capitalisation	LU0108459040	1.60%
	C	Distribution	LU0108459552	1.60%
	C - EUR - Hedged	Capitalisation	LU1120766206	1.60%
	C - EUR - Unhedged	Capitalisation	LU1120766388	1.60%
	I	Capitalisation	LU0133360163	0.60%
	I - CHF - Hedged	Capitalisation	LU2478813442	0.60%
	I - EUR - Hedged	Capitalisation	LU1006082199	0.60%
	I - EUR - Unhedged	Capitalisation	LU1120766032	0.60%
	I - GBP - Unhedged	Capitalisation	LU1269737059	0.60%
	L	Capitalisation	LU0574798848	1.60%
	N	Capitalisation	LU0133359157	2.00%
	R	Capitalisation	LU0942225912	0.80%
	R - CHF - Hedged	Capitalisation	LU1269736754	0.80%
	R - EUR - Hedged	Capitalisation	LU1708110975	0.80%
	R - EUR - Unhedged	Capitalisation	LU1269736838	0.80%
	R - GBP - Unhedged	Capitalisation	LU1269736911	0.80%
	R2	Capitalisation	LU1397644557	0.38%
	R2	Distribution	LU1397644631	0.38%
	R2 - EUR - Unhedged	Capitalisation	LU1397644805	0.38%
	S - JPY - Unhedged	Capitalisation	LU1820816558	0.50%
	V	Capitalisation	LU0317020203	0.45%
	V2	Capitalisation	LU2026682919	0.65%
	Z	Capitalisation	LU0240982651	0.00%
Candriam Equities L Emerging Markets	BF	Capitalisation	LU1904319164	0.00%
	BF	Distribution	LU1397645364	0.00%
	C	Capitalisation	LU0056052961	1.60%
	C	Distribution	LU0056053001	1.60%
	C - USD - Hedged	Capitalisation	LU1293437023	1.60%
	I	Capitalisation	LU0133355080	0.65%
	I	Distribution	LU1269737562	0.65%
	I - GBP - Unhedged	Capitalisation	LU1269737489	0.65%
	I2 - USD - Unhedged	Capitalisation	LU1774694167	0.85%
	L	Capitalisation	LU0574798921	1.60%
	N	Capitalisation	LU0133352731	2.00%
	P	Capitalisation	LU0596238260	0.25%
	R	Capitalisation	LU0942226134	0.85%
	R - GBP - Unhedged	Capitalisation	LU1269737307	0.85%
	R2	Capitalisation	LU1397645018	0.40%
	R2	Distribution	LU1397645109	0.40%
	V	Capitalisation	LU0317020112	0.35%
	V2	Capitalisation	LU1397645281	0.44%
	Z	Capitalisation	LU0240980523	0.00%



Other notes to the financial statements

**Note 3 - Management fees (Continued)**

Sub-funds	Share class	Share type	ISIN	Management fee	
Candriam Equities L EMU Innovation	C	Capitalisation	LU0317020898	1.50%	
	I	Capitalisation	LU0317021433	0.55%	
	R	Capitalisation	LU1293437379	0.70%	
	S	Capitalisation	LU0317021276	0.25%	
	Z	Capitalisation	LU0317021359	0.00%	
Candriam Equities L Europe Innovation	C	Capitalisation	LU0344046155	1.60%	
	C	Distribution	LU0344046239	1.60%	
	C - USD - Hedged	Capitalisation	LU1293437882	1.60%	
	I	Capitalisation	LU0344046668	0.60%	
	I - USD - Hedged	Capitalisation	LU1293437965	0.60%	
	L	Capitalisation	LU0654531002	1.60%	
	N	Capitalisation	LU0344046312	2.00%	
	R	Capitalisation	LU1293438005	0.80%	
	R2	Capitalisation	LU1397646503	0.38%	
	R2	Distribution	LU1397646685	0.38%	
	S	Capitalisation	LU2026683057	0.45%	
	V	Capitalisation	LU0344046403	0.35%	
	V2	Capitalisation	LU2026683131	0.45%	
Z	Capitalisation	LU0344046585	0.00%		
Candriam Equities L Europe Optimum Quality	C	Capitalisation	LU0304859712	1.60%	
	C	Distribution	LU0304860058	1.60%	
	I	Capitalisation	LU0304860645	0.55%	
	I	Distribution	LU1269737729	0.55%	
	L	Capitalisation	LU0574799226	1.60%	
	N	Capitalisation	LU0304860561	2.00%	
	R	Capitalisation	LU1293438187	0.70%	
	R2	Capitalisation	LU1397646842	0.38%	
	R2	Distribution	LU1397646925	0.38%	
	V	Capitalisation	LU0317019536	0.35%	
	Z	Capitalisation	LU0317112661	0.00%	
	Candriam Equities L Global Demography	C	Capitalisation	LU0654531184	1.60%
		C	Distribution	LU0654531267	1.60%
I		Capitalisation	LU0654531341	0.60%	
I - USD - Unhedged		Capitalisation	LU2328285445	0.60%	
L		Capitalisation	LU0654531697	1.60%	
N		Capitalisation	LU0654531424	2.00%	
R		Capitalisation	LU1598288089	0.80%	
R2		Capitalisation	LU1397647733	0.38%	
R2		Distribution	LU1397647816	0.38%	
V2 - USD - Unhedged		Capitalisation	LU2439121216	0.35%	
Z		Capitalisation	LU1397647907	0.00%	
Candriam Equities L Life Care		BF	Capitalisation	LU2223682787	0.00%
		BF	Distribution	LU2223682860	0.00%
	C	Capitalisation	LU2223680658	1.50%	
	I	Capitalisation	LU2223680815	0.80%	
	I - EUR - Unhedged	Capitalisation	LU2346867125	0.80%	
	R	Capitalisation	LU2223681201	0.80%	
	R2	Capitalisation	LU2223681896	0.40%	
	V	Capitalisation	LU2223682274	0.48%	
	Z	Capitalisation	LU2223682357	0.00%	
	Candriam Equities L Meta Globe	BF - EUR - Unhedged	Capitalisation	LU2476791202	0.00%
BF - EUR - Unhedged		Distribution	LU2476793323	0.00%	
C		Capitalisation	LU2476793240	1.60%	
I		Capitalisation	LU2476792861	0.80%	
R		Capitalisation	LU2476792432	0.80%	
V		Capitalisation	LU2476791467	0.48%	
Z		Capitalisation	LU2476791384	0.00%	
Candriam Equities L Oncology Impact		BF - EUR - Unhedged	Capitalisation	LU1940963215	0.00%
	BF - EUR - Unhedged	Distribution	LU1940963306	0.00%	
	C	Capitalisation	LU1864481467	1.60%	
	C	Distribution	LU1864481541	1.60%	
	C - EUR - Hedged	Capitalisation	LU1864481624	1.60%	
	C - EUR - Unhedged	Capitalisation	LU1864484214	1.60%	
	I	Capitalisation	LU1864482358	0.80%	
	I	Distribution	LU1864482432	0.80%	
	I - EUR - Hedged	Capitalisation	LU2015349330	0.80%	
	I - GBP - Unhedged	Capitalisation	LU1864482515	0.80%	
	N	Capitalisation	LU2346866234	2.00%	
	N - EUR - Hedged	Capitalisation	LU1864482606	2.00%	
	N - EUR - Unhedged	Capitalisation	LU2346866317	2.00%	
	PI	Capitalisation	LU1864483836	0.40%	
	R	Capitalisation	LU1864482788	0.80%	
	R	Distribution	LU1864482861	0.80%	
	R - EUR - Hedged	Capitalisation	LU1864483083	0.80%	
	R - EUR - Unhedged	Capitalisation	LU1864483166	0.80%	



## Other notes to the financial statements

### Note 3 - Management fees (Continued)

Sub-funds	Share class	Share type	ISIN	Management fee
Candriam Equities L Oncology Impact (Continued)	R - GBP - Unhedged	Capitalisation	LU1864482945	0.80%
	R2	Capitalisation	LU1864483240	0.40%
	R2	Distribution	LU1864483323	0.40%
	R2 - EUR - Hedged	Distribution	LU1864483596	0.40%
	S - JPY - Asset Hedged	Distribution	LU2015349090	0.38%
	S - JPY - Unhedged	Distribution	LU2015348522	0.50%
	SF2 - EUR - Unhedged	Capitalisation	LU2295688928	0.18%
	V	Capitalisation	LU1864483752	0.48%
	V - GBP - Unhedged	Capitalisation	LU2425425506	0.48%
	Z	Capitalisation	LU1864483919	0.00%
Candriam Equities L Risk Arbitrage Opportunities	C	Capitalisation	LU2223682944	1.50%
	I	Capitalisation	LU2223683082	1.00%
	PI	Capitalisation	LU2223683678	0.50%
	R	Capitalisation	LU2223683322	1.00%
	S	Capitalisation	LU2223683751	0.25%
	V	Capitalisation	LU2223683835	0.80%
	Z	Capitalisation	LU2223683918	0.00%
Candriam Equities L Robotics & Innovative Technology	BF	Capitalisation	LU2226954738	0.00%
	BF	Distribution	LU2226954902	0.00%
	C	Capitalisation	LU1502282558	1.60%
	C	Distribution	LU1502282715	1.60%
	C - EUR - Hedged	Capitalisation	LU1806526718	1.60%
	C - EUR - Unhedged	Capitalisation	LU1502282632	1.60%
	I	Capitalisation	LU1502282806	0.80%
	I - EUR - Unhedged	Capitalisation	LU1613213971	0.80%
	N - EUR - Hedged	Capitalisation	LU1806526809	2.00%
	R	Capitalisation	LU1502282988	0.80%
	R	Distribution	LU1708110629	0.80%
	R - EUR - Hedged	Capitalisation	LU1613220596	0.80%
	R - EUR - Unhedged	Capitalisation	LU1598284849	0.80%
	R - GBP - Hedged	Capitalisation	LU1613217964	0.80%
	V - EUR - Unhedged	Capitalisation	LU2402073626	0.48%
	Z	Capitalisation	LU1502283010	0.00%

The table hereafter reflects the maximum Management fee's annual rate applied to UCITS invested into by Candriam Equities L different sub-funds as at December 31, 2023.

Target fund	Maximum rate
CANDRIAM MONÉTAIRE SICAV Z C	0.15%

### Note 4 - Distribution fees

The rates of the specific distribution fee for the Lock share class are as follows:

Sub-funds	Share class	Share type	ISIN	Annual rate
Candriam Equities L Biotechnology	L	Capitalisation	LU0574798848	0.10%
Candriam Equities L Emerging Markets	L	Capitalisation	LU0574798921	0.10%
Candriam Equities L Europe Innovation	L	Capitalisation	LU0654531002	0.10%
Candriam Equities L Europe Optimum Quality	L	Capitalisation	LU0574799226	0.10%
Candriam Equities L Global Demography	L	Capitalisation	LU0654531697	0.10%

### Note 5 - Operating and Administrative Expenses

The SICAV bears the current operating and administrative expenses incurred to cover all the overheads and variable expenses, the charges, fees and other expenses, as defined below ("Operating and Administrative Expenses").

The Operating and Administrative Expenses cover, but are not limited to, the following expenses:

a) the expenditures incurred directly by the SICAV, including, inter alia, the Depositary Bank's fees and charges, the fees and expenses of the approved independent auditors, the cost of share class hedging, including that invoiced by the Management Company, the fees paid to the Directors and the reasonable expenses and outlays incurred by or for the Directors;



Other notes to the financial statements

**Note 5 - Operating and Administrative Expenses (Continued)**

b) a "service fee" paid to the Management Company and including the remaining sum of the Operating and Administrative Expenses after deduction of the expenses detailed in section (a) above, that is, inter alia, the fees and expenses of the Domiciliary Agent, the Administrative Agent, the Transfer Agent and Registrar Holding and the Principal Paying Agent, the costs related to registration and maintenance of the registration in all the jurisdictions (such as the fees charged by the supervisory authorities concerned, the translation expenses and the remuneration of the Representatives abroad and the local paying agents), the stock exchange registration and renewal expenses, the cost of publishing the share prices, the postal and telecommunication charges, preparation cost, printing, translating and distributing the prospectuses, key investor information documents, notices to shareholders, financial reports or of any other document intended for the shareholders, the legal fees and expenses, the charges and expenses related to the taking out of any subscription/licence or any other use of fee-paying information or data, the expenses incurred by the use of a registered trademark by the SICAV, the expenses and fees payable to the Management Company and/or its delegates and/or to any other agent appointed by the SICAV itself and/or to the independent experts.

The Operating and Administrative Expenses are expressed as an annual percentage of the average net asset value of each share class and are payable monthly.

At the end of a given period, if the actual charges and expenses were to be higher than the percentage of Operating and Administrative Expenses set for a share class, then the Management Company would pay for the difference itself. Conversely, if the actual charges and expenses were to turn out to be lower than the percentage of Operating and Administrative Expenses set for a share class, then the Management Company would retain the difference.

The Management Company shall be entitled to instruct the SICAV to proceed to settle all or part of the expenses as listed above directly from its assets.

In such a case, the amount of the Operating and Administrative Expenses would be reduced accordingly.

The maximum rates applicable as at December 31, 2023 are as follows:

Sub-funds	Share class	Share type	ISIN	Maximum rate
Candriam Equities L Australia	C	Distribution	LU0078775284	0.40%
	C	Capitalisation	LU0078775011	0.40%
	C - EUR - Unhedged	Capitalisation	LU0256780106	0.40%
	I	Capitalisation	LU0133348622	0.30%
	I - EUR - Unhedged	Capitalisation	LU0256781096	0.30%
	N	Capitalisation	LU0133347731	0.40%
	N - EUR - Unhedged	Capitalisation	LU0256780874	0.40%
	R	Capitalisation	LU0942225839	0.40%
	V	Capitalisation	LU0317020385	0.30%
	Z	Capitalisation	LU0240973742	0.30%
Candriam Equities L Biotechnology	C	Distribution	LU0108459552	0.40%
	C	Capitalisation	LU0108459040	0.40%
	C - EUR - Hedged	Capitalisation	LU1120766206	0.40%
	C - EUR - Unhedged	Capitalisation	LU1120766388	0.40%
	I	Capitalisation	LU0133360163	0.30%
	I - CHF - Hedged	Capitalisation	LU2478813442	0.30%
	I - EUR - Hedged	Capitalisation	LU1006082199	0.30%
	I - EUR - Unhedged	Capitalisation	LU1120766032	0.30%
	I - GBP - Unhedged	Capitalisation	LU1269737059	0.30%
	L	Capitalisation	LU0574798848	0.40%
	N	Capitalisation	LU0133359157	0.40%
	R	Capitalisation	LU0942225912	0.40%
	R - CHF - Hedged	Capitalisation	LU1269736754	0.40%
	R - EUR - Hedged	Capitalisation	LU1708110975	0.40%
	R - EUR - Unhedged	Capitalisation	LU1269736838	0.40%
	R - GBP - Unhedged	Capitalisation	LU1269736911	0.40%
	R2	Distribution	LU1397644631	0.40%
	R2	Capitalisation	LU1397644557	0.40%
	R2 - EUR - Unhedged	Capitalisation	LU1397644805	0.40%
	S - JPY - Unhedged	Capitalisation	LU1820816558	0.30%
V	Capitalisation	LU0317020203	0.30%	
V2	Capitalisation	LU2026682919	0.30%	
Z	Capitalisation	LU0240982651	0.30%	
Candriam Equities L Emerging Markets	BF	Distribution	LU1397645364	0.46%
	BF	Capitalisation	LU1904319164	0.46%
	C	Distribution	LU0056053001	0.55%
	C	Capitalisation	LU0056052961	0.55%
	C - USD - Hedged	Capitalisation	LU1293437023	0.55%
	I	Distribution	LU1269737562	0.46%
	I	Capitalisation	LU0133355080	0.46%
	I - GBP - Unhedged	Capitalisation	LU1269737489	0.46%
	I2 - USD - Unhedged	Capitalisation	LU1774694167	0.46%
	L	Capitalisation	LU0574798921	0.55%
	N	Capitalisation	LU0133352731	0.55%
	P	Capitalisation	LU0596238260	0.46%
	R	Capitalisation	LU0942226134	0.55%
	R - GBP - Unhedged	Capitalisation	LU1269737307	0.55%
	R2	Distribution	LU1397645109	0.55%
	R2	Capitalisation	LU1397645018	0.55%
	V	Capitalisation	LU0317020112	0.46%



## Other notes to the financial statements

### Note 5 - Operating and Administrative Expenses (Continued)

Sub-funds	Share class	Share type	ISIN	Maximum rate	
Candriam Equities L Emerging Markets (Continued)	V2	Capitalisation	LU1397645281	0.46%	
	Z	Capitalisation	LU0240980523	0.46%	
Candriam Equities L EMU Innovation	C	Capitalisation	LU0317020898	0.40%	
	I	Capitalisation	LU0317021433	0.30%	
	R	Capitalisation	LU1293437379	0.40%	
	S	Capitalisation	LU0317021276	0.30%	
	Z	Capitalisation	LU0317021359	0.30%	
Candriam Equities L Europe Innovation	C	Distribution	LU0344046239	0.40%	
	C	Capitalisation	LU0344046155	0.40%	
	C - USD - Hedged	Capitalisation	LU1293437882	0.40%	
	I	Capitalisation	LU0344046668	0.30%	
	I - USD - Hedged	Capitalisation	LU1293437965	0.30%	
	L	Capitalisation	LU0654531002	0.40%	
	N	Capitalisation	LU0344046312	0.40%	
	R	Capitalisation	LU1293438005	0.40%	
	R2	Distribution	LU1397646685	0.40%	
	R2	Capitalisation	LU1397646503	0.40%	
	S	Capitalisation	LU2026683057	0.30%	
	V	Capitalisation	LU0344046403	0.30%	
	V2	Capitalisation	LU2026683131	0.30%	
Z	Capitalisation	LU0344046585	0.30%		
Candriam Equities L Europe Optimum Quality	C	Distribution	LU0304860058	0.40%	
	C	Capitalisation	LU0304859712	0.40%	
	I	Distribution	LU1269737729	0.30%	
	I	Capitalisation	LU0304860645	0.30%	
	L	Capitalisation	LU0574799226	0.40%	
	N	Capitalisation	LU0304860561	0.40%	
	R	Capitalisation	LU1293438187	0.40%	
	R2	Distribution	LU1397646925	0.40%	
	R2	Capitalisation	LU1397646842	0.40%	
	V	Capitalisation	LU0317019536	0.30%	
	Z	Capitalisation	LU0317112661	0.30%	
	Candriam Equities L Global Demography	C	Distribution	LU0654531267	0.40%
		C	Capitalisation	LU0654531184	0.40%
I		Capitalisation	LU0654531341	0.30%	
I - USD - Unhedged		Capitalisation	LU2328285445	0.30%	
L		Capitalisation	LU0654531697	0.40%	
N		Capitalisation	LU0654531424	0.40%	
R		Capitalisation	LU1598288089	0.40%	
R2		Distribution	LU1397647816	0.40%	
R2		Capitalisation	LU1397647733	0.40%	
V2 - USD - Unhedged		Capitalisation	LU2439121216	0.30%	
Z		Capitalisation	LU1397647907	0.30%	
Candriam Equities L Life Care	BF	Distribution	LU2223682860	0.30%	
	BF	Capitalisation	LU2223682787	0.30%	
	C	Capitalisation	LU2223680658	0.40%	
	I	Capitalisation	LU2223680815	0.30%	
	I - EUR - Unhedged	Capitalisation	LU2346867125	0.30%	
	R	Capitalisation	LU2223681201	0.40%	
	R2	Capitalisation	LU2223681896	0.40%	
	V	Capitalisation	LU2223682274	0.30%	
	Z	Capitalisation	LU2223682357	0.30%	
Candriam Equities L Meta Globe	BF - EUR - Unhedged	Distribution	LU2476793323	0.30%	
	BF - EUR - Unhedged	Capitalisation	LU2476791202	0.30%	
	C	Capitalisation	LU2476793240	0.40%	
	I	Capitalisation	LU2476792861	0.30%	
	R	Capitalisation	LU2476792432	0.40%	
	V	Capitalisation	LU2476791467	0.30%	
	Z	Capitalisation	LU2476791384	0.30%	
Candriam Equities L Oncology Impact	BF - EUR - Unhedged	Distribution	LU1940963306	0.30%	
	BF - EUR - Unhedged	Capitalisation	LU1940963215	0.30%	
	C	Distribution	LU1864481541	0.40%	
	C	Capitalisation	LU1864481467	0.40%	
	C - EUR - Hedged	Capitalisation	LU1864481624	0.40%	
	C - EUR - Unhedged	Capitalisation	LU1864484214	0.40%	
	I	Distribution	LU1864482432	0.30%	
	I	Capitalisation	LU1864482358	0.30%	
	I - EUR - Hedged	Capitalisation	LU2015349330	0.30%	
	I - GBP - Unhedged	Capitalisation	LU1864482515	0.30%	
	N	Capitalisation	LU2346866234	0.40%	
	N - EUR - Hedged	Capitalisation	LU1864482606	0.40%	
	N - EUR - Unhedged	Capitalisation	LU2346866317	0.40%	
	PI	Capitalisation	LU1864483836	0.30%	
	R	Distribution	LU1864482861	0.40%	
	R	Capitalisation	LU1864482788	0.40%	
	R - EUR - Hedged	Capitalisation	LU1864483083	0.40%	
	R - EUR - Unhedged	Capitalisation	LU1864483166	0.40%	
	R - GBP - Unhedged	Capitalisation	LU1864482945	0.40%	



Other notes to the financial statements

**Note 5 - Operating and Administrative Expenses (Continued)**

Sub-funds	Share class	Share type	ISIN	Maximum rate
Candriam Equities L Oncology Impact (Continued)	R2	Distribution	LU1864483323	0.40%
	R2	Capitalisation	LU1864483240	0.40%
	R2 - EUR - Hedged	Distribution	LU1864483596	0.40%
	S - JPY - Asset Hedged	Distribution	LU2015349090	0.30%
	S - JPY - Unhedged	Distribution	LU2015348522	0.30%
	SF2 - EUR - Unhedged	Capitalisation	LU2295688928	0.30%
	V	Capitalisation	LU1864483752	0.30%
	V - GBP - Unhedged	Capitalisation	LU2425425506	0.30%
	Z	Capitalisation	LU1864483919	0.30%
Candriam Equities L Risk Arbitrage Opportunities	C	Capitalisation	LU2223682944	0.40%
	I	Capitalisation	LU2223683082	0.30%
	PI	Capitalisation	LU2223683678	0.30%
	R	Capitalisation	LU2223683322	0.40%
	S	Capitalisation	LU2223683751	0.30%
	V	Capitalisation	LU2223683835	0.30%
Candriam Equities L Robotics & Innovative Technology	Z	Capitalisation	LU2223683918	0.30%
	BF	Distribution	LU2226954902	0.30%
	BF	Capitalisation	LU2226954738	0.30%
	C	Distribution	LU1502282715	0.40%
	C	Capitalisation	LU1502282558	0.40%
	C - EUR - Hedged	Capitalisation	LU1806526718	0.40%
	C - EUR - Unhedged	Capitalisation	LU1502282632	0.40%
	I	Capitalisation	LU1502282806	0.30%
	I - EUR - Unhedged	Capitalisation	LU1613213971	0.30%
	N - EUR - Hedged	Capitalisation	LU1806526809	0.40%
	R	Distribution	LU1708110629	0.40%
	R	Capitalisation	LU1502282988	0.40%
	R - EUR - Hedged	Capitalisation	LU1613220596	0.40%
	R - EUR - Unhedged	Capitalisation	LU1598284849	0.40%
	R - GBP - Hedged	Capitalisation	LU1613217964	0.40%
	V - EUR - Unhedged	Capitalisation	LU2402073626	0.30%
Z	Capitalisation	LU1502283010	0.30%	

**Note 6 - Performance fees**

In payment for its portfolio management activity, the Management Company also receives performance fees on certain share classes of certain sub-funds (see table below with concerned share classes and related index).

The method of calculating the performance commission is detailed in the various technical specifications attached to the Prospectus of the SICAV in force at the time.

**Candriam Equities L Biotechnology**

Share class	Class type	Currency	Performance fee rate	Amount of performance fee charged for the year	% on the Share Class NAV of performance fee charges for the year
I	Capitalisation	USD	20.00%	256,378	0.88%
I - CHF - Hedged	Capitalisation	CHF	20.00%	2,923	1.09%
I - EUR - Hedged	Capitalisation	EUR	20.00%	216,370	0.97%
I - EUR - Unhedged	Capitalisation	EUR	20.00%	403,882	0.80%
I - GBP - Unhedged	Capitalisation	GBP	20.00%	7,175	1.07%
V	Capitalisation	USD	20.00%	1,242,222	1.08%

The performance fee charged during the year ended December 31, 2023 amounted to USD 2,128,950.

**Candriam Equities L Emerging Markets**

Share class	Class type	Currency	Performance fee rate	Amount of performance fee charged for the year	% on the Share Class NAV of performance fee charges for the year
I	Distribution	EUR	20.00%	0	0.00%
I	Capitalisation	EUR	20.00%	0	0.00%
I - GBP - Unhedged	Capitalisation	GBP	20.00%	0	0.00%
V	Capitalisation	EUR	20.00%	0	0.00%

No performance was charged during the year ended December 31, 2023.

**Candriam Equities L EMU Innovation**

Share class	Class type	Currency	Performance fee rate	Amount of performance fee charged for the year	% on the Share Class NAV of performance fee charges for the year
I	Capitalisation	EUR	20.00%	0	0.00%

No performance was charged during the year ended December 31, 2023.



Other notes to the financial statements

**Note 6 - Performance fees (Continued)**

**Candriam Equities L Europe Innovation**

Share class	Class type	Currency	Performance fee rate	Amount of performance fee charged for the year	% on the Share Class NAV of performance fee charges for the year
I	Capitalisation	EUR	20.00%	0	0.00%
I - USD - Hedged	Capitalisation	USD	20.00%	0	0.00%
V	Capitalisation	EUR	20.00%	0	0.00%

No performance was charged during the year ended December 31, 2023.

**Candriam Equities L Europe Optimum Quality**

Share class	Class type	Currency	Performance fee rate	Amount of performance fee charged for the year	% on the Share Class NAV of performance fee charges for the year
I	Distribution	EUR	20.00%	0	0.00%
I	Capitalisation	EUR	20.00%	0	0.00%
V	Capitalisation	EUR	20.00%	0	0.00%

No performance was charged during the year ended December 31, 2023.

**Candriam Equities L Global Demography**

Share class	Class type	Currency	Performance fee rate	Amount of performance fee charged for the year	% on the Share Class NAV of performance fee charges for the year
I	Capitalisation	EUR	20.00%	0	0.00%
I - USD - Unhedged	Capitalisation	USD	20.00%	0	0.00%

No performance was charged during the year ended December 31, 2023.

**Candriam Equities L Risk Arbitrage Opportunities**

Share class	Class type	Currency	Performance fee rate	Amount of performance fee charged for the year	% on the Share Class NAV of performance fee charges for the year
C	Capitalisation	EUR	20.00%	0	0.00%
I	Capitalisation	EUR	20.00%	0	0.00%
PI	Capitalisation	EUR	20.00%	0	0.00%
R	Capitalisation	EUR	20.00%	0	0.00%
V	Capitalisation	EUR	20.00%	0	0.00%
Z	Capitalisation	EUR	20.00%	0	0.00%

No performance was charged during the year ended December 31, 2023.

**Note 7 - Subscription tax**

The SICAV is governed by the Luxembourg tax laws.

By virtue of the legislation and regulations currently in force, the SICAV is subject in Luxembourg to an annual tax of 0.05% of the net asset value of the SICAV; this rate is reduced to 0.01% for the classes reserved for institutional investors. This tax is payable quarterly on the basis of the net asset value of the SICAV calculated at the end of the quarter to which the tax relates.

The Belgian government enacted a law to tax once a year the net asset value of foreign investment funds registered in Belgium. This annual tax is calculated on the net amounts defined as invested in Belgium by Belgian financial intermediaries. In the absence of a sufficient declaration relating to these figures, the tax authority will be entitled to calculate the tax on the entirety of the assets of these sub-funds. The Belgian law of June 17, 2013 comprising fiscal and financial provisions and provisions relating to sustainable development set the rate of the annual tax for Undertakings for Collective Investment at 0.0925% with effect from January 1, 2014.

As a precautionary measure, the SICAV filed a claim with the Belgian tax authority and the Brussels Court of First Instance for the tax to be refunded. At this stage, it is not possible to prejudge the outcome of the dispute or any reimbursement in favour of the SICAV. In a similar case, the Belgian State appealed to the Court of Cassation against the Court of Appeal's rulings in favour of the plaintiff.

The management company was informed that the Court of Cassation ruled against the plaintiff on March 25, 2022. The Court of Cassation (French-speaking chamber) considers that the Brussels Court of Appeal wrongly qualified the Belgian subscription tax as a wealth tax covered by the double taxation convention between Belgium and Luxembourg (which convention attributes the right to tax Luxembourg SICAVs only by Luxembourg and not by Belgium, which justified the claim for reimbursement of the Belgian subscription tax).

The case is referred back to the Court of Appeal of Liège which will be bound by the assessment taken by the Court of Cassation.

Another decision of the Court of Cassation (Dutch-speaking chamber) of April 21, 2022 does not dispute that the Belgian subscription tax is a wealth tax, but considers that the double taxation convention between Belgium and Luxembourg (unlike the one signed with the Netherlands) does not cover in its scope a wealth tax levied in Belgium.

The prospect of a refund is therefore limited and will in any case not be possible in the short term.



## Other notes to the financial statements

### Note 8 – Capital Gain Tax

Certain revenues of the SICAV in terms of realized gains on securities from asset sources outside Luxembourg may be liable to taxes in the source country at variable rates. Such taxes are generally deducted at source or paid upon the filing of a tax return in the foreign country.

In particular, for the sub-fund Candriam Equities L Emerging Markets, under current law of India, short term capital gains are taxed at 15% while long term capital gains are taxed at 10% if the gain is above 100,000 Indian rupees.

Considering potential impact of the Indian capital gain tax on the net assets, the SICAV is accruing such tax including unrealized gains on securities traded on the Indian stock exchange.

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

### Note 9 - Reverse repurchase agreements

As at December 31, 2023, the following reverse repurchase agreements were outstanding:

#### Candriam Equities L Risk Arbitrage Opportunities

Currency	Nominal	Maturity date	Description	Counterparty	Receivable on reverse repurchase agreements (in EUR)
EUR	6,172,000	04/10/2040	EURO UNIO BILL 0.1 20-40 04/10A	CACEIS Bank, Lux. Branch	3,518,040
EUR	7,000,000	22/06/2029	BELGIUM 0.9 19-29 22/06A	CACEIS Bank, Lux. Branch	6,188,000
EUR	6,301,556	25/05/2032	FRANCE 0.00 22-32 25/05A	CACEIS Bank, Lux. Branch	4,803,046
EUR	3,080,588	15/07/2033	NETHERLANDS 2.5 23-33 15/07A	CACEIS Bank, Lux. Branch	3,000,000
EUR	3,500,000	15/04/2024	BEI 4.125 07-24 15/04A	CACEIS Bank, Lux. Branch	3,591,000
					<b>21,100,086</b>

### Note 10 - Securities lending

The implementation of the securities lending and borrowing transactions is performed directly by Candriam and/or by one or more of its branches and is partly delegated to CACEIS Bank, Luxembourg Branch.

As at December 31, 2023, the composition of the securities lent was as follows:

Sub-funds	Currency	Market value of securities lent	Collateral Securities
Candriam Equities L Biotechnology	USD	61,253,469	71,042,392
Candriam Equities L Europe Innovation	EUR	60,058,985	61,229,200
Candriam Equities L Europe Optimum Quality	EUR	43,788,706	44,059,468
Candriam Equities L Life Care	USD	152,972	153,065

The types of financial guarantees permitted are as follows:

- cash denominated in the reference currency of the sub-fund concerned;
- good-quality debt securities (rated at least BBB-/Baa3 or equivalent by one of the rating agencies) issued by a public-sector issuer of an OECD country (states, supranationals, etc.) and whose issue size is a minimum of EUR 250 million;
- good-quality debt securities (rated at least BBB-/Baa3 or equivalent by one of the rating agencies) issued by a private-sector issuer of an OECD country and whose issue size is a minimum of EUR 250 million;
- shares listed or traded on a regulated market of a Member State of the European Union or on a securities exchange of a State belonging to the OECD, provided that these shares are included in a major index;
- shares or units of undertakings for collective investment offering adequate liquidity and investing in money market instruments, good-quality bonds or in shares that meet the conditions listed above.

The securities lent are valued on the basis of the last-known price. The securities and the related interest receivable are shown in the Statement of net assets.

The amounts of the interest received in connection with this securities lending are included in the item "Interest on securities lending" of the statement of changes in net assets.

The counterparties related to the open positions of securities lending are BNP Paribas, BNP Paribas Securities Services SCA, Natixis SA, Morgan Stanley Europe S.E., Barclays Bank PLC - Ireland - LC, Scotiabank and Société Générale S.A., UBS Europe SE.





## Other notes to the financial statements

### Note 10 - Securities lending (Continued)

The following items of income were recorded in the accounts during the year ended December 31, 2023:

Sub-funds	Currency	Total gross amount of securities lending income	Direct-indirect costs and fees deducted from gross securities lending income	Total net amount of securities lending income
Candriam Equities L Biotechnology	USD	145,758	58,303	87,455
Candriam Equities L Emerging Markets	EUR	22,647	9,059	13,588
Candriam Equities L EMU Innovation	EUR	2,020	808	1,212
Candriam Equities L Europe Innovation	EUR	170,092	68,037	102,055
Candriam Equities L Europe Optimum Quality	EUR	69,443	27,777	41,666
Candriam Equities L Global Demography	EUR	518	207	311
Candriam Equities L Life Care	USD	4,263	1,705	2,558
Candriam Equities L Robotics & Innovative Technology	USD	52	21	31

The Income net of cost and fees, and agent's commissions are received by the SICAV.

Direct and indirect costs and fees received by Candriam France and Candriam amount to respectively 19% and 1% for all the sub-funds. The commissions received by CACEIS Bank, Luxembourg Branch amount to 20% of the gross income.

Candriam – Succursale française and Candriam are related parties of the SICAV.

### Note 11 - Dividends

The SICAV distributed the following dividends during the year ended December 31, 2023:

Sub-funds	Share class	Currency	Dividend	Ex-date
Candriam Equities L Australia	C	AUD	21.46	27/04/2023
Candriam Equities L Biotechnology	C	USD	3.92	27/04/2023
	R2	USD	1.20	27/04/2023
Candriam Equities L Emerging Markets	BF	EUR	33.68	27/04/2023
	C	EUR	13.98	27/04/2023
	I	EUR	40.00	27/04/2023
	R2	EUR	3.90	27/04/2023
Candriam Equities L Europe Innovation	C	EUR	6.33	27/04/2023
	R2	EUR	5.13	27/04/2023
Candriam Equities L Europe Optimum Quality	C	EUR	2.51	27/04/2023
	I	EUR	43.72	27/04/2023
	R2	EUR	4.85	27/04/2023
Candriam Equities L Global Demography	C	EUR	3.63	27/04/2023
	R2	EUR	3.69	27/04/2023
Candriam Equities L Life Care	BF	USD	19.84	27/04/2023
Candriam Equities L Oncology Impact	BF - EUR - Unhedged	EUR	34.47	27/04/2023
	C	USD	3.39	27/04/2023
	R	USD	2.69	27/04/2023
	R2	USD	3.49	27/04/2023
	R2 - EUR - Hedged	EUR	2.59	27/04/2023
	S - JPY - Asset Hedged	JPY	305.41	27/04/2023
S - JPY - Unhedged	JPY	330.48	27/04/2023	
Candriam Equities L Robotics & Innovative Technology	BF	USD	19.84	27/04/2023
	C	USD	5.16	27/04/2023
	R	USD	3.88	27/04/2023

### Note 12 - Swing Pricing

For all the sub-funds of the SICAV, provision has been made for the following measure:

On the valuation days on which the difference between the amount of subscriptions and the amount of redemptions in a sub-fund (that is, the net transactions) exceeds a threshold previously set by the Board of Directors (partial Swing), the Board reserves the right to determine the net asset value by adding to the assets (in the case of net subscriptions) or by deducting from the assets (in the case of net redemptions) a flat-rate percentage of fees and expenses corresponding to market practices in the case of purchases or sales of securities for Candriam Equities L Australia, Candriam Equities L Biotechnology, Candriam Equities L Emerging Markets, Candriam Equities L EMU Innovation, Candriam Equities L Europe Innovation, Candriam Equities L Europe Optimum Quality, Candriam Equities L Global Demography, Candriam Equities L Life Care, Candriam Equities L Oncology Impact, Candriam Equities L Robotics & Innovative Technology and Candriam Equities L Meta Globe.

As at December 31, 2023, no swing was applied.

The swing factor is the amount by which the NAV is swung when the swing pricing process is triggered after net subscriptions or redemptions exceed the swing threshold. The factors to consider when setting the swinging factor include:



## Other notes to the financial statements

### Note 12 - Swing Pricing (Continued)

For equity method:

- Net broker commissions paid by the sub-fund
- Fiscal charges (e.g. stamp duty and sales tax)

Sub-funds	Maximum swing factor Inflow rate (in %)	Maximum swing factor Outflow rate (in %)
Candriam Equities L Australia	0.02	0.02
Candriam Equities L Biotechnology	0.04	0.05
Candriam Equities L Emerging Markets	0.06	0.16
Candriam Equities L EMU Innovation	0.18	0.04
Candriam Equities L Europe Innovation	0.24	0.04
Candriam Equities L Europe Optimum Quality	0.24	0.04
Candriam Equities L Global Demography	0.08	0.05
Candriam Equities L Life Care	0.07	0.04
Candriam Equities L Meta Globe	0.03	0.06
Candriam Equities L Oncology Impact	0.08	0.04
Candriam Equities L Robotics & Innovative Technology	0.03	0.05

### Note 13 - Cash at bank and broker

The Cash at bank and broker in the statement of net assets comprises the cash accounts and the cash at broker accounts on future contracts and CFD. The counterparty is J.P. Morgan AG.

The part relating to the cash at broker accounts in Cash at bank and broker included in the statement of net assets as at December 31, 2023 is as follows:

Sub-funds	Currency	Cash at broker
Candriam Equities L Europe Optimum Quality	EUR	14,510,250
Candriam Equities L Risk Arbitrage Opportunities	EUR	182,266

### Note 14 - Collateral

In relation with the OTC derivative instruments, cash collateral has been received from Barclays Bank PLC - Ireland - LC, Caceis Bank France S.A., Citigroup Global Markets Europe AG - Germany - LC, JP Morgan AG - Germany - LC and UBS Europe SE (Brexit / ongoing) amounting to:

Sub-funds	Currency	Cash Collateral Posted	Cash Collateral held
Candriam Equities L Biotechnology	USD	0	3,280,000
Candriam Equities L Oncology Impact	USD	0	6,500,000
Candriam Equities L Risk Arbitrage Opportunities	EUR	(3,090,000)	0
Candriam Equities L Robotics & Innovative Technology	USD	0	520,000

### Note 15 - Changes in portfolio composition

A list including the transactions (sales and purchases) in the investment portfolios is available free of charge at the SICAV's registered office.

### Note 16 - Subsequent events

There is no subsequent event.



Additional unaudited information

**Global Risk Exposure**

As required by the CSSF Circular 11/512, the Board of Directors of the Company must determine the Company risk management method, using either the commitment approach or the VaR approach.

The Board of Directors of the Company has chosen to adopt the commitment approach for all the sub-funds as the method for determining overall risk, except for Candriam Equities L Risk Arbitrage Opportunities.

The Company uses the absolute “Value at Risk” (VaR) approach, the historical method of calculating the aggregate risk of the sub-fund Candriam Equities L Risk Arbitrage Opportunities. The Euro Short Term Rate (€STR) capitalised index is used as the benchmark for the Relative VaR. As an indication, the leverage of this sub-fund is a maximum of 400% of net assets. The sub-fund could, however, be exposed temporarily to a higher leverage.

This approach measures the maximum potential loss for a given confidence threshold (probability) over a specific time period under normal market conditions. These calculations are performed on the basis of the following parameters: a confidence interval of 99%, a holding period of one day (converted into a holding period of 20 days).

The results of the calculation of the relative VaR for the exercise from January 1, 2023 to December 31, 2023 are:

Sub-fund	Value at risk 99% (20D)		
	Min Var (in %)	Max var (in %)	Average Var (in %)
Candriam Equities L Risk Arbitrage Opportunities	3.43	9.15	6.42

The expected leverage of this sub-fund will be a maximum of 400%. This leverage is calculated for each derivative product on the basis of the commitment method and is added to the securities portfolio of the sub-fund. The sub-fund may nevertheless be exposed to higher leverages.

The levels of leverage for the year from January 1, 2023 to December 31, 2023 are:

Sub-fund	Average leverage (in %)
Candriam Equities L Risk Arbitrage Opportunities	94.95



## Additional unaudited information

### Engagement & voting policies, use of voting rights

Candriam exercises voting rights for the considered funds.

For all engagement matters, please refer to the engagement policy and to the associated reports, all available under Candriam website <https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>.

### Proxy Voting

Since January 1, 2004, Candriam has decided to actively exercise the voting rights attached to the shares of top-tier European companies that it manages on behalf of its clients. This decision indicates Candriam's determination to assume its responsibilities in the context of corporate governance, and to fully exercise its voting rights in companies in which it invests. The details of the voting are available on the web site <https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>.

Non voted meetings result from operational / technical burdens defined in our voting policy (for more details please refer to Candriam voting policy) or others encountered at our third party levels and for which remediation plans have been defined.

The voting rights are exercised for each sub-fund of the SICAV on the basis of its positions in the portfolio except for Candriam Equities L Risk Arbitrage Opportunities for which no voting rights is exercised.

As announced above, details of the voting are available on the web site <https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>. All General Assembly Meetings the Management company attended or was represented at are detailed, as well as the voted resolutions, effective votes and associated rationales when votes against management were registered.

Other non voted meetings result from either the defined voting scope itself (for more details please refer to Candriam voting policy) or from delays in reception of needed powers of attorney.

Candriam has formulated and implemented a voting policy based on four principles of corporate governance. Voting decisions are taken in accordance with these principles:

1. Protection of all shareholders' rights in accordance with the "one share – one vote – one dividend" rule.
2. Guaranteed equality of treatment of shareholders, including minority and foreign shareholders.
3. Communication of accurate and transparent financial information.
4. Accountability and independence of the Board of Directors and the external auditors.

As part of its voting decisions, Candriam satisfies itself that it has obtained all the information required for the decision to be taken. Candriam's ESG and financial analysts examine the resolutions presented to the shareholders, taking into account the voting recommendations provided by external corporate governance advisors. Candriam does, however, retain total independence as regards its votes.

This voting policy is available under Candriam website (\*) and notably details:

- The definition of the voting scope,
- How conflict of interest are identified and managed,
- The Role of proxy Advisers.

In addition, a Proxy Voting Committee has been established within Candriam, Its role is to evaluate the voting policy and make changes to it when deemed appropriate.

The Committee consists of internal representatives from the Management, Operations, Risk and ESG Research & Stewardship Teams. Representatives of the Legal department may attend meetings upon request.

For funds with securities lending programs, a minimum of 20% of every position is systematically reserved for voting (except for those which trade in 'share blocking' markets, where the reserved proportion may be smaller).

For more information on the way the management company deals with securities lending activities in the voting period, please refer to our Voting policy under <https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>.

(\*) <https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>



## Additional unaudited information

### European directive on shareholders' rights (SRD II) (1)

In accordance with the transparency rules set out in the "Shareholders' Rights" European directive and related to annual disclosures to institutional investors, you can obtain additional information on the investment strategy implemented by Candriam and the contribution of this strategy to the medium to long-term performance of the fund.

You may submit your request to the following address: <https://www.candriam.fr/contact/>.

(1) *Directive (EU) 2017/828 of the European Parliament and of the Council amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement.*

Sub-Funds	Portfolio Turnover Rate (in %)*
Candriam Equities L Australia	2.92
Candriam Equities L Biotechnology	28.51
Candriam Equities L Emerging Markets	81.76
Candriam Equities L EMU Innovation	59.64
Candriam Equities L Europe Innovation	9.25
Candriam Equities L Europe Optimum Quality	59.74
Candriam Equities L Global Demography	160.3
Candriam Equities L Life Care	123.08
Candriam Equities L Meta Globe	64.79
Candriam Equities L Oncology Impact	28.67
Candriam Equities L Robotics & Innovative Technology	37.07

\* *Formula used: [(Total purchases + total sales) - (total subscriptions + total redemptions)] / Average of net assets during the year under review*



## Additional unaudited information

### Information concerning the remuneration policy

European Directive 2014/91/EU amending Directive 2009/65/EC on undertakings for collective investment in transferable securities, which is applicable to the SICAV, came into force on 18 March 2016. It is implemented in national law under the Luxembourg Act of 10 May 2016 implementing Directive 2014/91/EU. Due to these new regulations, the SICAV is required to publish information relating to the remuneration of identified employees within the meaning of the Act in the annual report.

Candriam holds a double license, first, as a management company in accordance with section 15 of the Law of December 17, 2010 on undertakings for collective investment and, second, as a manager of alternative investment funds in accordance with the Law of July 12, 2013 relating to alternative investment fund managers. The responsibilities incumbent on Candriam under these two laws are relatively similar and Candriam considers that its personnel is remunerated in the same manner for tasks relating to administration of UCITS and of alternative investment funds.

During its financial year ended on December 31, 2023, Candriam paid the following amounts to its personnel:

- Total gross amount of fixed remunerations paid (excluding payments or benefits that can be considered to be part of a general and nondiscretionary policy and to have no incentive effect on risk management): EUR 17,425,254.
- Total gross amount of variable remunerations paid: EUR 6,348,617.
- Number of beneficiaries: 146.

Aggregate amount of remunerations, broken down between senior management and the members of the personnel of the investment manager whose activities have a significant impact on the funds risk profile. The systems of Candriam do not permit such an identification for each fund under management. The numbers below also show the aggregate amount of overall remunerations at Candriam.

- Aggregate amount of the remunerations of the senior management: EUR 5,155,684.
- Aggregate amount of the remunerations of the members of the personnel of Candriam whose activities have a significant impact on the risk profile of the funds of which it is the management company (excluding senior management): EUR 2,015,066.

Remunerations paid by Candriam to the personnel of its Belgian branch (i.e. Candriam – Belgian Branch), acting as investment manager, during the financial year ended on December 31, 2023:

- Total gross amount of fixed remunerations paid (excluding payments or benefits that can be considered to be part of a general and nondiscretionary policy and to have no incentive effect on risk management): EUR 25,071,403.
- Total gross amount of variable remunerations paid: EUR 8,188,525.
- Number of beneficiaries: 245.

Aggregate amount of remunerations, broken down between senior management and the members of the personnel of the investment manager whose activities have a significant impact on the funds risk profile. The systems of the investment manager do not permit such an identification for each fund under management. The numbers below also show the aggregate amount of overall remunerations at the level of the investment manager.

- Aggregate amount of the remunerations of the senior management: EUR: 6,214,566
- Aggregate amount of the remunerations of the members of the personnel of the investment manager whose activities have a significant impact on the risk profile of the funds of which it is the investment manager (excluding senior management): EUR 4,602,623.

Remunerations paid by Candriam to the personnel of its French branch (i.e. Candriam – Succursale française), acting as investment manager(s), during the financial year ended on December 31, 2023:

- Total gross amount of fixed remunerations paid (excluding payments or benefits that can be considered to be part of a general and nondiscretionary policy and to have no incentive effect on risk management): EUR 19,094,936.
- Total gross amount of variable remunerations paid: EUR 6,255,350.
- Number of beneficiaries: 202.

Aggregate amount of remunerations, broken down between senior management and the members of the personnel of the investment manager whose activities have a significant impact on the funds risk profile. The systems of the investment manager do not permit such an identification for each fund under management. The numbers below also show the aggregate amount of overall remunerations at the level of the investment manager.

- Aggregate amount of the remunerations of the senior management: EUR 4,298,365.
- Aggregate amount of the remunerations of the members of the personnel of the investment manager whose activities have a significant impact on the risk profile of the funds of which it is the investment manager (excluding senior management): EUR 3,422,966.

The remuneration policy was last reviewed by the remuneration committee of Candriam on January 29, 2021 and was adopted by the Board of Directors of Candriam



## Additional unaudited information

### Transparency of Securities Financing Transactions of Reuse and amending Regulation (SFTR) (EU) N°648/2012

#### a) Global data

With respect to securities lending transactions and total return swaps, the total market value of securities on loan at December 31, 2023 is as follows

- Securities lending**

Sub-fund	Currency	Market value (in absolute terms)	% of total lendable assets	% total net asset value
Candriam Equities L Biotechnology	USD	61,253,469	4.06	3.86
Candriam Equities L Europe Innovation	EUR	60,058,985	6.94	6.68
Candriam Equities L Europe Optimum Quality	EUR	43,788,706	8.04	7.75
Candriam Equities L Life Care	USD	152,972	0.02	0.02

- Reverse repurchase agreement**

Sub-fund	Currency	Market value (in absolute terms)	% total net asset value
Candriam Equities L Risk Arbitrage Opportunities	EUR	21,100,086	42.51

#### b) Concentration data

- Securities lending**

The 10 largest counterparties across all securities lending transactions as at December 31, 2023 are as follows:

##### Candriam Equities L Biotechnology

Counterparty	Gross volumes for open trades
BP2S	51,699,314
NATIXIS	5,175,315
UBS EQUITIES	4,158,479
BARC EQTY	220,227
BNPSASS	134

##### Candriam Equities L Europe Innovation

Counterparty	Gross volumes for open trades
BARC EQTY	40,080,161
BNPSASS	8,596,194
BP2S	7,571,182
UBS EQUITIES	2,604,168
SOCIETE GENERALE EQUITIES	1,095,499
NATIXIS	111,780

##### Candriam Equities L Europe Optimum Quality

Counterparty	Gross volumes for open trades
BNPSASS	22,349,866
BARC EQTY	11,231,352
SOCIETE GENERALE EQUITIES	6,312,168
UBS EQUITIES	1,632,960
BANK OF NOVA SCOTIA	1,270,080
MORGAN STANLEY EUROPE SE	665,280
BP2S	327,000

##### Candriam Equities L Life Care

Counterparty	Gross volumes for open trades
UBS EQUITIES	152,972



Additional unaudited information

Transparency of Securities Financing Transactions of Reuse and amending Regulation (SFTR) (EU) N°648/2012 (Continued)

The 10 largest issuers of collateral received from securities lending activities as at December 31, 2023 are as follows:

**Candriam Equities L Biotechnology**

Counterparty	Gross volumes for open trades
TELE SE 5.75 11-31	10,476,848
BARC 3.375 04-25	6,990,539
LYFT INC-A	5,169,929
INTERACTIVE BROK	5,169,928
ALCOA CORP	5,169,927
ANTERO RESOURCES	5,169,911
WAYFAIR INC- A	5,169,880
WORKDAY INC-A	5,169,697
MERCADOLIBRE INC	5,169,262
TOLL BROTHERS	1,958,421

**Candriam Equities L Europe Innovation**

Counterparty	Gross volumes for open trades
NEW SOU 2.0 03-33	13,713,816
AUST GO 0.25 11-24	5,740,458
HERMES INTL	3,629,760
ROSS STORES INC	3,628,664
MEDTRONIC PLC	3,392,158
ENEL SPA	3,281,802
ABN AMR 6.339 09-27	2,944,018
ING GRO 3.0 02-26	2,601,012
UNILEVER PLC	2,215,164
BANK NY MELLON	1,784,377

**Candriam Equities L Europe Optimum Quality**

Counterparty	Gross volumes for open trades
ABN AMR 6.339 09-27	7,761,503
NOUV 2.75 04-25	3,930,859
TREA CO 2.0 09-35	3,930,639
UBS GROUP AG	2,866,188
UNICREDIT SPA	2,866,181
AENA SME SA	2,866,047
IBERDROLA SA	2,770,419
MEDTRONIC PLC	2,234,967
AMADEUS IT GROUP	2,234,953
INTESA SANPAOLO	1,214,655

**Candriam Equities L Life Care**

Counterparty	Gross volumes for open trades
SMART METERING S	15,292
STOLT-NIELSEN	15,289
LAGERCRANTZ-B SH	15,288
BW LPG LTD	15,286
LIGHTSPEED COMME	15,286
VICAT	15,269
SOMPO HOLDINGS I	15,269
NASDAQ INC	15,248
WALMART INC	15,230
DEME GROUP	15,189

• **Reverse repurchase agreement**

The 10 largest counterparties across all reverse repurchase agreements as at December 31, 2023 are as follows:

**Candriam Equities L Risk Arbitrage Opportunities**

Counterparty	Concentration data for open trades
Caceis Bank, Lux. Branch	21,100,086

The 10 largest issuers of collateral received from reverse repurchase agreements activities as at December 31, 2023 are as follows:





## Additional unaudited information

### Transparency of Securities Financing Transactions of Reuse and amending Regulation (SFTR) (EU) N°648/2012 (Continued)

#### Candriam Equities L Risk Arbitrage Opportunities

Counterparty	Total amount of collateral
Caceis Bank, Lux. Branch	21,100,086

There is no reuse of collateral related to Total Return Swaps transactions.

#### c) Safekeeping of collateral received

Each sub-fund has CACEIS Bank, Luxembourg Branch as depositary for collateral received. There is no reuse of collateral related to securities lending transactions.

- **Securities lending**

Sub-Funds	Currency	Cash	Bonds	Equity	Total amount of collateral
Candriam Equities L Biotechnology	USD	0	20,058,725	50,983,568	71,042,293
Candriam Equities L Europe Innovation	EUR	0	26,586,266	34,642,934	61,229,200
Candriam Equities L Europe Optimum Quality	EUR	0	17,628,873	26,430,596	44,059,469
Candriam Equities L Life Care	USD	0	0	153,063	153,063

#### d) Aggregate transaction data

The maturity tenor of the collateral related to SFTs are the following

- **Securities lending**

Sub-funds	Currency	From 1 month to 3 months	From 3 months to 1 year	More than 1 year	Open maturity	Total amount of collateral
Candriam Equities L Biotechnology	USD	0	0	20,058,824	50,983,568	71,042,392
Candriam Equities L Europe Innovation	EUR	0	0	26,586,266	34,642,934	61,229,200
Candriam Equities L Europe Optimum Quality	EUR	0	0	17,628,873	26,430,596	44,059,468
Candriam Equities L Life Care	USD	0	0	2	153,063	153,065

- **Reverse repurchase agreement**

Sub-funds	Currency	From 1 month to 3 months	From 3 months to 1 year	More than 1 year	Open maturity	Total amount of collateral
Candriam Equities L Risk Arbitrage Opportunities	EUR	0	3,591,000	17,509,086	0	21,100,086



## Additional unaudited information

### **Sustainable Finance Disclosure Regulation (SFDR)**

#### **Candriam Equities L Australia, Candriam Equities L Risk Arbitrage Opportunities:**

The above-mentioned sub-funds are classified as article 6 under SFDR.

They do not integrate systematically ESG characteristics in the management framework. Nevertheless, sustainability risks are taken into account in investment decisions by Candriam exclusion Policy which exclude some controversial activities.

### **Taxonomy (Article 6)**

The investments underlying of this financial product do not take into account the EU criteria for environmentally sustainable economic activities and as such the sub-fund should not publish information on alignment with the Taxonomy.

## Environmental and/or social characteristics

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

YES

- It made **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 made **sustainable investments with a social objective**: \_\_\_%

NO

- It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 91.85% 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 promoted E/S characteristics, but **did 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



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The environmental and social characteristics promoted by the Sub-fund have been achieved by:

- avoiding exposure to companies that present structural risks that are both material and severe and are most seriously in breach of normative principles taking into account practices in environmental and social issues as well as compliance with standards such as the United Nations Global Compact and the 'OECD Guidelines for Business standards.
- avoiding exposure to companies that are significantly exposed to controversial activities such extraction, transportation or distribution of thermal coal, the manufacturing or retailing of Tobacco and production or sale of controversial weapons (anti-personnel mines, cluster bombs, chemical, biological, phosphorus weapons white and depleted uranium.
- integrating Candriam's ESG research methodology into the investment process and investing a proportion of its assets in Sustainable Investments.

### How did the sustainability indicators perform?

For the selection of sustainable investments, the portfolio manager has taken into account ESG assessments of issuers, produced by Candriam's ESG analyst team.

For companies, these assessments are based on the analysis of the company's interactions with its key stakeholders and the analysis of its business activities and their impact, positive or negative, on key sustainability challenges such as climate change and resource depletion. In addition, Candriam's ESG analysis includes exclusion filters based on compliance with international standards and involvement in controversial activities.

Candriam's ESG research and analysis for sustainable investments also assesses the compliance of investments with the "do no harm" principle to a sustainable investment objective and with good governance practices.

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 33%). The proportion of sustainable investments in the Fund

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

was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

Sustainability KPI Name	Portfolio	Benchmark	New indicator
SDGs - Corporate (fund level) - Higher than absolute threshold	6.80		X

● **... And compared to previous periods?**

The sub-fund has also been managed in line with its sustainability indicators.

The asset allocation of the financial product has evolved over the years.

Investment Category	Proportion of Investments	Proportion of Investments
	2023	2022
#1 Aligned with E/S characteristics	92.69%	90.32%
#2 Other	7.31%	9.67%
#1A Sustainable	91.85%	90.00%
#1B Other E/S characteristics	0.84%	0.32%
Taxonomy-aligned	0.00%	0.00%
Other environmental	0.82%	0.00%
Social	91.04%	90.00%

## ● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objective?**

The sustainable investments which the Sub-fund intended to achieve for a portion of the portfolio were to have a positive impact on environment and social domains in the long-term.

The proportion of sustainable investments was higher than the minimum defined in the prospectus (minimum 33%). It allowed the Sub-fund to exceed the objectives initially set.

However, the Sub-fund is not able to publish a percentage of alignment with the Taxonomy since a small number of companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

## ● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Candriam ensured that those investments have not cause significant harm to any environmental and/or social sustainable investment objective by means of its ESG research and analysis of corporate issuers.

Based on its proprietary ESG Ratings and Scorings, Candriam's ESG methodology sets criteria and minimum thresholds to identify those issuers that qualify as 'sustainable investment' and, in particular, have not cause significant harm to any environmental and/or social sustainable investment objective.

The 'Do not significant harm' principle, in particular, was assessed for corporates through:

- the consideration of "principal adverse impacts"
- the alignment with the OECD Guidelines for Multinational Enterprises and the UN Global Compact to ensure minimum environmental & social safeguards.

For more details, refer to the section below on the consideration of principal adverse impacts on sustainability factors.

### ***How were the indicators for adverse impacts on sustainability factors taken into account?***

The consideration of adverse impacts is central to Candriam's sustainable investment approach. Principal adverse impacts were taken into account throughout the entire ESG research and analysis process and through a wide range of methods:

1. ESG rating of corporates: the ESG research and screening methodology considers and assesses the principal adverse impact on sustainability from two distinct, but interlinked, angles:

- the company's issuers' business activities and how they impact, either positively or negatively, key sustainable challenges such as climate change and resource depletion;
- company's interactions with key stakeholders.

2. Negative screening of companies, which includes a norms-based exclusion and an exclusion of companies involved in controversial activities.

3. Engagement activities with companies, through dialogue and voting activities, which contribute to avoiding or reducing the extent of the adverse impacts. The ESG analysis framework and its results feed our engagement process, and vice versa.

The integration of the principal adverse impacts on sustainability factors has been based on the materiality or likely materiality of each indicator for each specific industry / sector to which the company belongs. The materiality is dependent on several factors, such as: type of information, data quality and breadth, applicability, relevance, and geographical coverage.

### ***Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

The sustainable investments of the Sub-fund have been compliant with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights.

They are subject to a norms-based controversy analysis that considers the compliance with the international social, human, environmental and anti-corruption standards, as defined by the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises. The International Labour Organisation and International Bill of Human Rights are part of the many international references integrated into our norms-based analysis and ESG model.

This analysis aimed to exclude companies that have significantly and repeatedly breached any of these principles.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union 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.*

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

At Financial Product level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means: voting, dialogue, exclusions and/or monitoring (cfr. Candriam's PAI statement: <https://www.candriam.com/en/private/sfdri/>)

### ENGAGEMENT

Our engagement and voting policies are available on Candriam website [\[https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities\]](https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities).

### VOTING

The Candriam's approach to Corporate Governance relies on internationally-recognized standards.

Candriam has exercised voting rights when available on positions of the portfolio. Shareholders' rights, equality of shareholders, board accountability, transparency and integrity of financial statements are core pillars of our voting policy. When exercising our votes we pay a particular attention to the respect of pay-for-performance principle and to the board's independence level, diversity (PAI13) and expertise level.

In the context of Candriam's voting policy, specific guidelines are applied for a range of environmental- (e.g. climate (PAI1 to PAI6), biodiversity (PAI7)), social- (e.g. diversity, gender pay gap (PAI12), human rights (PAI10 PAI11)) and governance- related management or shareholder resolutions. ,

Candriam has an active approach to voting, in line with the consideration of the principle adverse impacts. Resolutions and voting opportunities are analysed in detail. Candriam always considers the relevance, consistence and feasibility of measures sponsored by any ESG resolution before casting vote. Thus, Candriam may vote against certain resolutions if they do not correspond to the principles defined in its voting policy or to the requirements relating to principle adverse impacts.

This year, we voted at 106 meetings: for 96.23 % of them we cast at least once against management.

With respect to environmental or social related resolutions, management submitted 3 of which we supported 100 %.

In addition, and for any voted director-election items (462 resolutions), we took into consideration Board Gender diversity aspects (PAI13).

In total 25 resolutions were filed by shareholders and we supported 32 % of them.

More specifically 1 were Human Rights, Climate or Diversity & Inclusion related: we supported 100 % of them.

For more detailed information about Candriam Voting policy evolution, votes and associated rationales, please refer to our voting dashboard [\[https://vds.issgovernance.com/vds/#/NDA0Nw==/\]](https://vds.issgovernance.com/vds/#/NDA0Nw==/)

### DIALOGUE with corporate issuers

This financial product is invested in corporate issuers. Below statistics refer to engagement activities we have performed with these corporate issuers.

Climate (PAI1 to PAI6) is obviously central in our exchanges with companies. Priorities of Climate-engagement on the corporate side are identified taking into account :

- issuers presenting a weak transition profile (proprietary risk transition model), and/or still highly carbon intensive (Scope 1-2) or with large Scope 3 emissions
- issuers from financial sectors still largely exposed to fossil fuel and with a key role in financing the transition
- relative exposure of managed portfolios to the above issuers.

Candriam has joined in November 2021 the Net Zero Asset Management Initiative [\[https://www.netzeroassetmanagers.org/signatories/candriam/\]](https://www.netzeroassetmanagers.org/signatories/candriam/). Through engagement, our objective is to encourage companies to publicly report on how they align with a 1.5D trajectory and to encourage such an alignment. We expect issuers in particular to explain how their strategy and capital expenditures plan serve their decarbonisation commitment. We usually combine individual and collaborative dialogue.

In addition, we continue to actively support CDP Climate [\[https://www.cdp.net/en\]](https://www.cdp.net/en), a large transparency survey feeding our investment processes : out of the 86 financial product's issuers targeted, 25.58% have properly filled the last survey. Filled surveys give us access to updated and more accurate Scope 1-2-3 emissions' data.

Candriam also actively participate to several collaborative initiatives such as Climate Action 100+ or IIGCC & ShareAction Climate initiatives on Financials. These initiatives contribute not only to increase the level of transparency on Greenhouse gas emissions and related strategy, but also to gain fundamental leverage for supporting strategic changes. Outcomes of these engagements are detailed in our annual engagement & voting report, available on our public website (Publications | Candriam) [\[https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications\]](https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications).

Given the geopolitical context and observed increase in inequalities, 31 issuer(s) with presence in the financial product have also been contacted in relation to the protection of fundamental human rights at direct or indirect workforce level (supply chain due diligence) (PAI10 PAI11).

Inclusion is not to be outdone, with 22 issuers, of the portfolio having been more specifically engaged on topics related to PAI 12 (Unadjusted gender pay gap) or PAI 13 (Board gender diversity).

While above mentioned PAI are prevalent when considering engagement performed for this financial product in 2023, other PAI such as biodiversity-related ones may also have been addressed in our dialogues with issuers. For more information, please refer to Candriam Engagement Annual review under Candriam website [\[https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities\]](https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities).

### EXCLUSIONS

#### PAI10

In accordance with PAI10 Candriam's normative analysis determines whether a company complies with the 10 principles of the United Nations Global Compact for each of the main categories: Human Rights (HR), Labor Rights (LR), Environment (ENV) and Anti-Corruption (AC). Our norms based analysis incorporates various international references, including the United Nations

Declaration of Human Rights, ILO Fundamental Conventions, and OECD Guidelines for Multinational Enterprises, ensuring comprehensive coverage of human rights, labor standards, corruption, and discrimination.

In Candriam's "Level 1" company exclusion policy, companies that have committed the most serious violations of the UN Global Compact principles are excluded. This list focuses on a strict interpretation of violations of the UN Global Compact, as assessed by Candriam's ESG analysts.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, for significant and repeated breaches of international social, human, environmental and anti-corruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

**PAI14**

Candriam is firmly committed to excluding from all its investments companies directly involved in the development, production, testing, maintenance and sale of controversial weapons (anti-personnel landmines, cluster bombs, depleted uranium weapons and armor, chemical weapons, biological weapons and white phosphorus weapons). We consider these damaging activities to present systemic and reputational risks.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, due to their involvement in these activities.

**MONITORING:** calculation and evaluation of the principal adverse impact indicators

Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Financial Product. See below the results of the indicators of this Financial Product

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
3 - GHG intensity of investee companies	25.47	91.14%	96.97%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	96.76%	96.98%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	96.90%	96.98%





## What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: 01/01/2023 - 31/12/2023.

Largest investments	Sector	% of Assets	Country
VERTEX PHARMACEUTICALS INC	Biotechnology	7.02%	USA
REGENERON PHARMACEUTICALS INC	Biotechnology	6.76%	USA
GILEAD SCIENCES INC	Biotechnology	6.05%	USA
AMGEN INC	Pharmaceuticals	5.99%	USA
BIOGEN IDEC INC	Pharmaceuticals	3.62%	USA
ALNYLAM PHARMACEUTICALS INC	Pharmaceuticals	3.41%	USA
ASTRAZENECA PLC	Pharmaceuticals	3.03%	GBR
SEAGEN INC	Biotechnology	3.00%	USA
MODERNA INC	Biotechnology	2.65%	USA
NEUROCRINE BIOSCIENCES	Biotechnology	2.14%	USA
BIOMARIN PHARMACEUTICAL INC	Biotechnology	1.86%	USA
SANOFI	Pharmaceuticals	1.63%	FRA
DANAHER CORP	Machine and apparatus construction	1.58%	USA
GENMAB AS	Biotechnology	1.57%	DNK
THERMO FISHER SCIENT SHS	Electronics and semiconductors	1.55%	USA

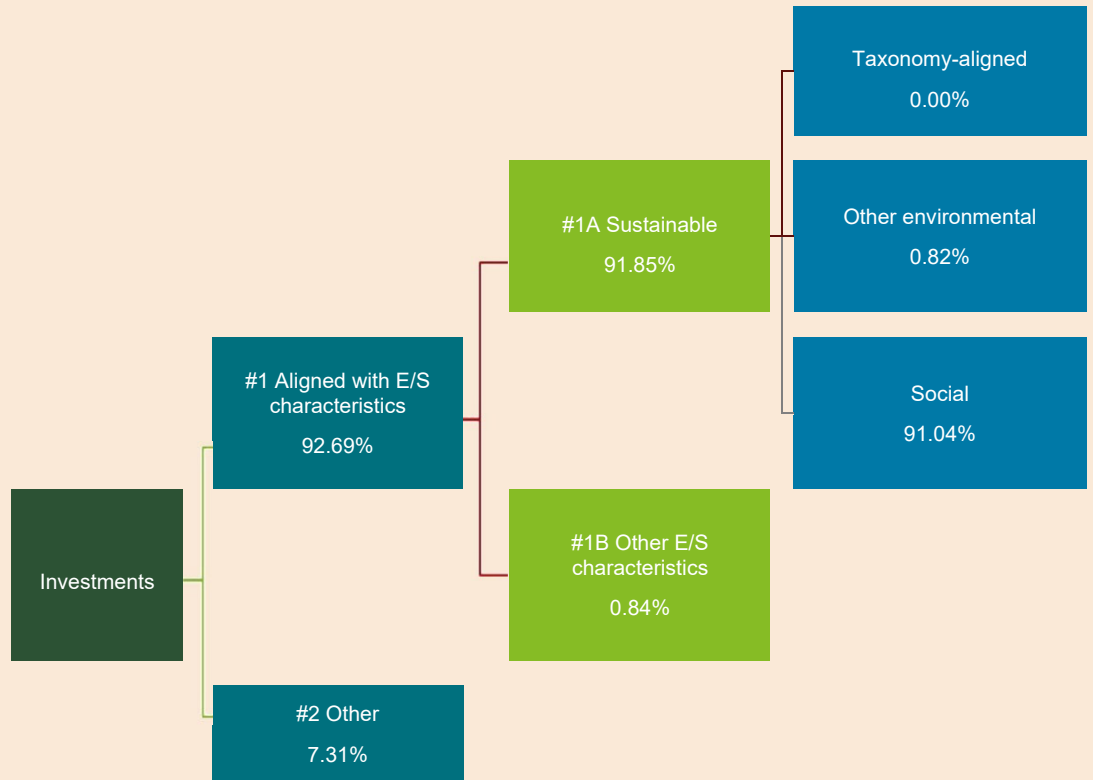
*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## What was the proportion of sustainability-related investments?

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

### ● What was the asset allocation?



**#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 environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● **In which economic sectors were the investments made?**

Top sector	% of Assets
Biotechnology	50.10%
Pharmaceuticals	40.99%
Banks and other financial institutions	4.76%
Machine and apparatus construction	1.58%
Electronics and semiconductors	1.55%
Miscellaneous services	0.61%
Healthcare	0.42%

*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**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.

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 the green operational activities of investee companies.

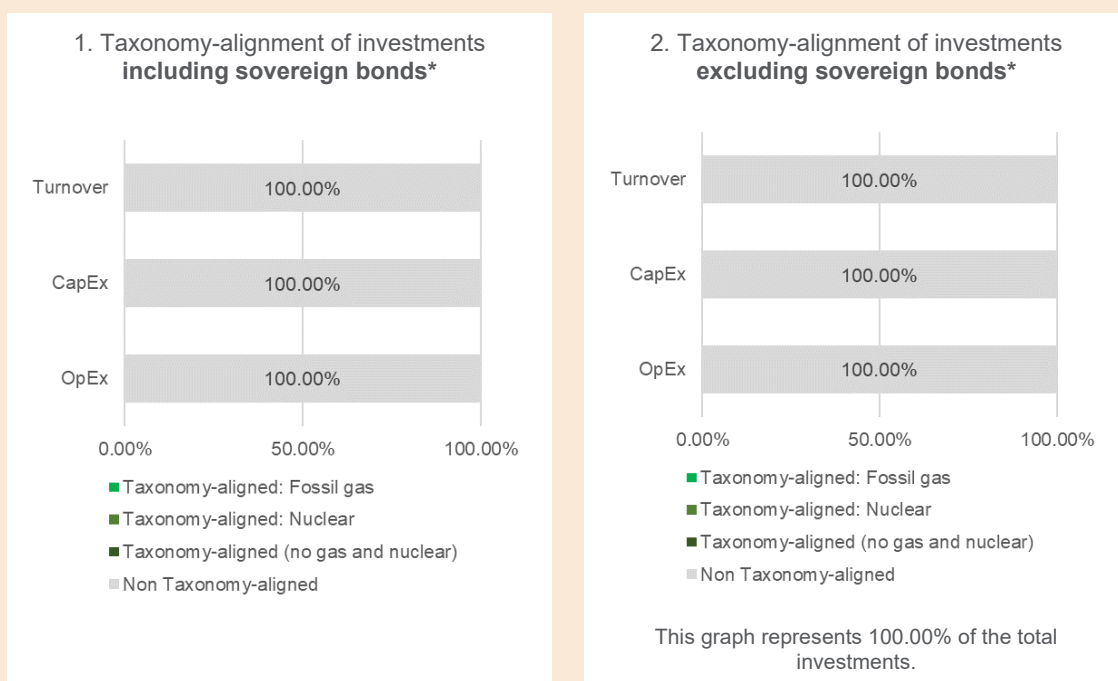


## To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?<sup>1</sup>

- Yes
- In fossil gas  In nuclear energy
- No

The graphs below show in green the percentage of investments that were 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.



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

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

● **What was the share of investments made in transitional and enabling activities?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, nor on the transitional and enabling activities, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Year	% EU Taxonomy Aligned
2023	0.00%
2022	0.00%

● **What is the breakdown of the proportion of the investments per each of the EU Taxonomy to which those investments contributed?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy

Therefore, this percentage is considered as nul.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

● **What was the share of sustainable investments with an environmental objective not aligned with the EU taxonomy?**

The Sub-Fund had a share of 0.82% in sustainable investments on the environmental plan not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2023 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

● **What was the share of socially sustainable investments?**

The Sub-fund had a share of investments with a social objective of 91.04%

● **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments included under "Other" are present in the Sub-fund for 7.31% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions or being the result of the decision of market exposure of the Sub-Fund;
- Investments with issuers with E/S characteristics at the moment of the investment and are not fully aligned anymore with the Candriam investment with E/S criteria. These investments have been sold during the period or considered as other investments;
- Other investments (including single name derivatives) purchased for diversification purposes, which do not meet environmental or social characteristics or which may not be subject to an ESG screening or for which ESG data was not available. These investments have respected the good governance;
- Non single name derivatives used for exposition and hedging purposes.

➔ **What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

The financial product aims to achieve an average financial product SDG score higher than an absolute threshold (> 5).

Over the period, the financial product displays an average score of 6.8.

The financial product has achieved its objective by allocating a higher proportion of investments in issuers with stronger SDG scores.



## How did this financial product perform compared to the reference benchmark?

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

No index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund

## Environmental and/or social characteristics

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

YES

- It made **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 made **sustainable investments with a social objective**: \_\_\_%

NO

- It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 67.39% 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 promoted E/S characteristics, but **did 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



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The environmental and social characteristics promoted by the Sub-fund have been achieved by:

- avoiding exposure to companies that present structural risks that are both material and severe and are most seriously in breach of normative principles taking into account practices in environmental and social issues as well as compliance with standards such as the United Nations Global Compact and the 'OECD Guidelines for Business standards.
- avoiding exposure to companies that are significantly exposed to controversial activities such extraction, transportation or distribution of thermal coal, the manufacturing or retailing of Tobacco and production or sale of controversial weapons (anti-personnel mines, cluster bombs, chemical, biological, phosphorus weapons white and depleted uranium.
- achieving a lower carbon footprint than the benchmark
- integrating Candriam's ESG research methodology into the investment process and investing a proportion of its assets in Sustainable Investments.

### How did the sustainability indicators perform?

For the selection of sustainable investments, the portfolio manager has taken into account ESG assessments of issuers, produced by Candriam's ESG analyst team.

For companies, these assessments are based on the analysis of the company's interactions with its key stakeholders and the analysis of its business activities and their impact, positive or negative, on key sustainability challenges such as climate change and resource depletion. In addition, Candriam's ESG analysis includes exclusion filters based on compliance with international standards and involvement in controversial activities.

Candriam's ESG research and analysis for sustainable investments also assesses the compliance of investments with the "do no harm" principle to a sustainable investment objective and with good governance practices.

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 10%). The proportion of sustainable investments in the Fund

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

was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

Sustainability KPI Name	Portfolio	Benchmark	New indicator
Carbon Footprint - Corporate - Scope 1&2 - Lower than bench	47.52	168.60	

● **... And compared to previous periods?**

The sub-fund has also been managed in line with its sustainability indicators.

Sustainability KPI Name	Year	Portfolio	Benchmark
Carbon Footprint - Corporate - Scope 1&2 - Lower than bench	2022	25.41	167.82

The asset allocation of the financial product has evolved over the years.

Investment Category	Proportion of Investments	Proportion of Investments
	2023	2022
#1 Aligned with E/S characteristics	93.18%	94.02%
#2 Other	6.82%	6.08%
#1A Sustainable	67.39%	73.05%
#1B Other E/S characteristics	25.79%	20.97%
Taxonomy-aligned	0.00%	0.00%
Other environmental	24.66%	23.27%
Social	42.73%	49.78%



## ● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objective?**

The sustainable investments which the Sub-fund intended to achieve for a portion of the portfolio were to contribute to the reduction of greenhouse gas emissions by means of exclusions and the use of climate indicators in the analysis of companies, and to have a positive impact on environment and social domains in the long-term.

The proportion of sustainable investments was higher than the minimum defined in the prospectus (minimum 10%). It allowed the Sub-fund to exceed the objectives initially set.

However, the Sub-fund is not able to publish a percentage of alignment with the Taxonomy since a small number of companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

## ● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Candriam ensured that those investments have not cause significant harm to any environmental and/or social sustainable investment objective by means of its ESG research and analysis of corporate issuers.

Based on its exclusive ESG Ratings and Scorings, Candriam's ESG methodology sets criteria and minimum thresholds to identify those issuers that qualify as 'sustainable investment' and, in particular, have not cause significant harm to any environmental and/or social sustainable investment objective.

The 'Do not significant harm' principle, in particular, was assessed for corporates through:

- the consideration of "principal adverse impacts"
- the alignment with the OECD Guidelines for Multinational Enterprises and the UN Global Compact to ensure minimum environmental & social safeguards.

For more details, refer to the section below on the consideration of principal adverse impacts on sustainability factors.

### ***How were the indicators for adverse impacts on sustainability factors taken into account?***

The consideration of adverse impacts is central to Candriam's sustainable investment approach. Principal adverse impacts were taken into account throughout the entire ESG research and analysis process and through a wide range of methods:

1. ESG rating of corporates: the ESG research and screening methodology considers and assesses the principal adverse impact on sustainability from two distinct, but interlinked, angles:

- the company's issuers' business activities and how they impact, either positively or negatively, key sustainable challenges such as climate change and resource depletion;
- company's interactions with key stakeholders.

2. Negative screening of companies, which includes a norms-based exclusion and an exclusion of companies involved in controversial activities.

3. Engagement activities with companies, through dialogue and voting activities, which contribute to avoiding or reducing the extent of the adverse impacts. The ESG analysis framework and its results feed our engagement process, and vice versa.

The integration of the principal adverse impacts on sustainability factors has been based on the materiality or likely materiality of each indicator for each specific industry / sector to which the company belongs. The materiality is dependent on several factors, such as: type of information, data quality and breadth, applicability, relevance, and geographical coverage.

### ***Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

The sustainable investments of the Sub-fund have been compliant with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights.

They are subject to a norms-based controversy analysis that considers the compliance with the international social, human, environmental and anti-corruption standards, as defined by the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises. The International Labour Organisation and International Bill of Human Rights are part of the many international references integrated into our norms-based analysis and ESG model.

This analysis aimed to exclude companies that have significantly and repeatedly breached any of these principles.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union 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.*

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

At Financial Product level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means: voting, dialogue, exclusions and/or monitoring (cfr. Candriam's PAI statement: <https://www.candriam.com/en/private/sfdri/>)

### ENGAGEMENT

Our engagement and voting policies are available on Candriam website [\[https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities\]](https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities).

### VOTING

The Candriam's approach to Corporate Governance relies on internationally-recognized standards.

Candriam has exercised voting rights when available on positions of the portfolio. Shareholders' rights, equality of shareholders, board accountability, transparency and integrity of financial statements are core pillars of our voting policy. When exercising our votes we pay a particular attention to the respect of pay-for-performance principle and to the board's independence level, diversity (PAI13) and expertise level.

In the context of Candriam's voting policy, specific guidelines are applied for a range of environmental- (e.g. climate (PAI1 to PAI6), biodiversity (PAI7)), social- (e.g. diversity, gender pay gap (PAI12), human rights (PAI10 PAI11)) and governance- related management or shareholder resolutions. ,

Candriam has an active approach to voting, in line with the consideration of the principle adverse impacts. Resolutions and voting opportunities are analysed in detail. Candriam always considers the relevance, consistence and feasibility of measures sponsored by any ESG resolution before casting vote. Thus, Candriam may vote against certain resolutions if they do not correspond to the principles defined in its voting policy or to the requirements relating to principle adverse impacts.

This year, we voted at 187 meetings: for 57.75 % of them we cast at least once against management.

With respect to environmental or social related resolutions, management submitted 1 of which we supported 0 %.

In addition, and for any voted director-election items (376 resolutions), we took into consideration Board Gender diversity aspects (PAI13).

In total 35 resolutions were filed by shareholders and we supported 74.29 % of them.

For more detailed information about Candriam Voting policy evolution, votes and associated rationales, please refer to our voting dashboard [\[https://vds.issgovernance.com/vds/#/NDA0Nw==/\]](https://vds.issgovernance.com/vds/#/NDA0Nw==/)

### DIALOGUE with corporate issuers

This financial product is invested in corporate issuers. Below statistics refer to engagement activities we have performed with these corporate issuers.

Climate (PAI1 to PAI6) is obviously central in our exchanges with companies. Priorities of Climate-engagement on the corporate side are identified taking into account :

- issuers presenting a weak transition profile (proprietary risk transition model), and/or still highly carbon intensive (Scope 1-2) or with large Scope 3 emissions
- issuers from financial sectors still largely exposed to fossil fuel and with a key role in financing the transition
- relative exposure of managed portfolios to the above issuers.

Candriam has joined in November 2021 the Net Zero Asset Management Initiative [\[https://www.netzeroassetmanagers.org/signatories/candriam/\]](https://www.netzeroassetmanagers.org/signatories/candriam/). Through engagement, our objective is to encourage companies to publicly report on how they align with a 1.5D trajectory and to encourage such an alignment. We expect issuers in particular to explain how their strategy and capital expenditures plan serve their decarbonisation commitment. We usually combine individual and collaborative dialogue.

1 issuers in the financial product are actually part of the priority targets of Candriam Net Zero Engagement campaign.

In addition, we continue to actively support CDP Climate [\[https://www.cdp.net/en\]](https://www.cdp.net/en), a large transparency survey feeding our investment processes : out of the 95 financial product's issuers targeted, 58.95% have properly filled the last survey. Filled surveys give us access to updated and more accurate Scope 1-2-3 emissions' data.

Candriam also actively participate to several collaborative initiatives such as Climate Action 100+ or IIGCC & ShareAction Climate initiatives on Financials. Such initiatives targeted 5 issuer(s) of the financial product. These initiatives contribute not only to increase the level of transparency on Greenhouse gas emissions and related strategy, but also to gain fundamental leverage for supporting strategic changes. Outcomes of these engagements are detailed in our annual engagement & voting report, available on our public website (Publications | Candriam) [\[https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications\]](https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications).

Given the geopolitical context and observed increase in inequalities, 64 issuer(s) with presence in the financial product have also been contacted in relation to the protection of fundamental human rights at direct or indirect workforce level (supply chain due diligence) (PAI10 PAI11).

Inclusion is not to be outdone, with 37 issuers, of the portfolio having been more specifically engaged on topics related to PAI 12 (Unadjusted gender pay gap) or PAI 13 (Board gender diversity).

While above mentioned PAI are prevalent when considering engagement performed for this financial product in 2023, other PAI such as biodiversity-related ones may also have been addressed in our dialogues with issuers. For more information, please refer to Candriam Engagement Annual review under Candriam website [\[https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities\]](https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities).

### EXCLUSIONS

#### PAI10

In accordance with PAI10 Candriam's normative analysis determines whether a company complies with the 10 principles of the United Nations Global Compact for each of the main categories: Human Rights (HR), Labor Rights (LR), Environment (ENV) and Anti-Corruption (AC). Our norms based analysis incorporates various international references, including the United Nations

Declaration of Human Rights, ILO Fundamental Conventions, and OECD Guidelines for Multinational Enterprises, ensuring comprehensive coverage of human rights, labor standards, corruption, and discrimination.

In Candriam's "Level 1" company exclusion policy, companies that have committed the most serious violations of the UN Global Compact principles are excluded. This list focuses on a strict interpretation of violations of the UN Global Compact, as assessed by Candriam's ESG analysts.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, for significant and repeated breaches of international social, human, environmental and anti-corruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

**PAI14**

Candriam is firmly committed to excluding from all its investments companies directly involved in the development, production, testing, maintenance and sale of controversial weapons (anti-personnel landmines, cluster bombs, depleted uranium weapons and armor, chemical weapons, biological weapons and white phosphorus weapons). We consider these damaging activities to present systemic and reputational risks.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, due to their involvement in these activities.

**MONITORING:** calculation and evaluation of the principal adverse impact indicators

Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Financial Product. See below the results of the indicators of this Financial Product

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
2 - Carbon Footprint	47.52	96.33%	97.91%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	7.10%*	97.78%	97.91%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	97.87%	97.91%

*\* The fund has complied with the exclusion policy in accordance with the prospectus. The companies included in the figures of PAI 10 do not present both significant and severe structural risks and that are not 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.*



## What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: 01/01/2023 - 31/12/2023.

Largest investments	Sector	% of Assets	Country
TAIWAN SEMICONDUCTOR CO	Electronics and semiconductors	8.09%	TWN
TENCENT HOLDINGS LTD	Internet and internet services	3.77%	CYM
ALIBABA GROUP	Internet and internet services	3.18%	CYM
SAMSUNG ELECTRONICS CO LTD	Electronics and semiconductors	2.56%	KOR
RELIANCE INDUSTRIES DEMATERIALIZED	Chemicals	2.13%	IND
SK HYNIX INC	Electronics and semiconductors	2.10%	KOR
PING AN INS (GRP) CO -H-	Insurance	1.80%	CHN
AXIS BANK	Banks and other financial institutions	1.63%	IND
BHARTI AIRTEL LTD(DEMATERIALIZED)	Communication	1.57%	IND
GRUPO FINANCIERO BANORTE -O-	Banks and other financial institutions	1.43%	MEX
LG CHEM	Chemicals	1.36%	KOR
MEITUAN - SHS 114A/REG S	Internet and internet services	1.35%	CYM
AMERICA MOVIL SAB DE CV	Communication	1.35%	MEX
BANK OF JIANGSU CO LTD	Banks and other financial institutions	1.34%	CHN
ACCTON TECHNOLOGY CORPORATION	Office supplies and computing	1.27%	TWN

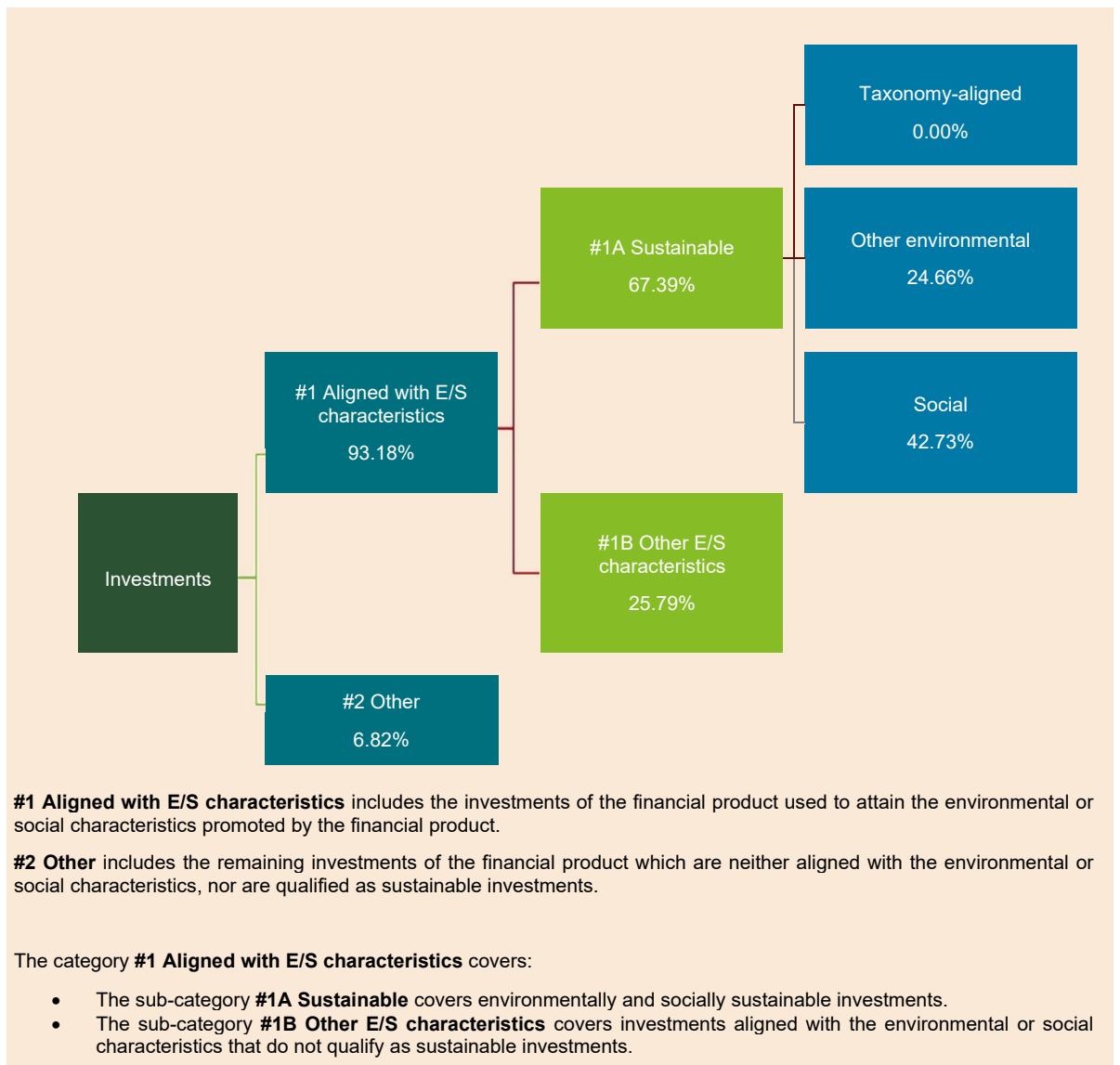
Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.



## What was the proportion of sustainability-related investments?

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

### ● What was the asset allocation?



● **In which economic sectors were the investments made?**

<b>Top sector</b>	<b>% of Assets</b>
Banks and other financial institutions	21.63%
Electronics and semiconductors	16.09%
Internet and internet services	14.28%
Foods and non alcoholic drinks	4.91%
Electrical engineering	4.41%
Chemicals	3.56%
Machine and apparatus construction	3.22%
Pharmaceuticals	3.18%
Road vehicles	3.10%
Communication	3.04%
Insurance	2.65%
Coal mining and steel industry & Chemicals	2.48%
Petroleum	2.19%
Office supplies and computing	1.95%
Retail trade and department stores	1.61%

*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**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.

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 the green operational activities of investee companies.

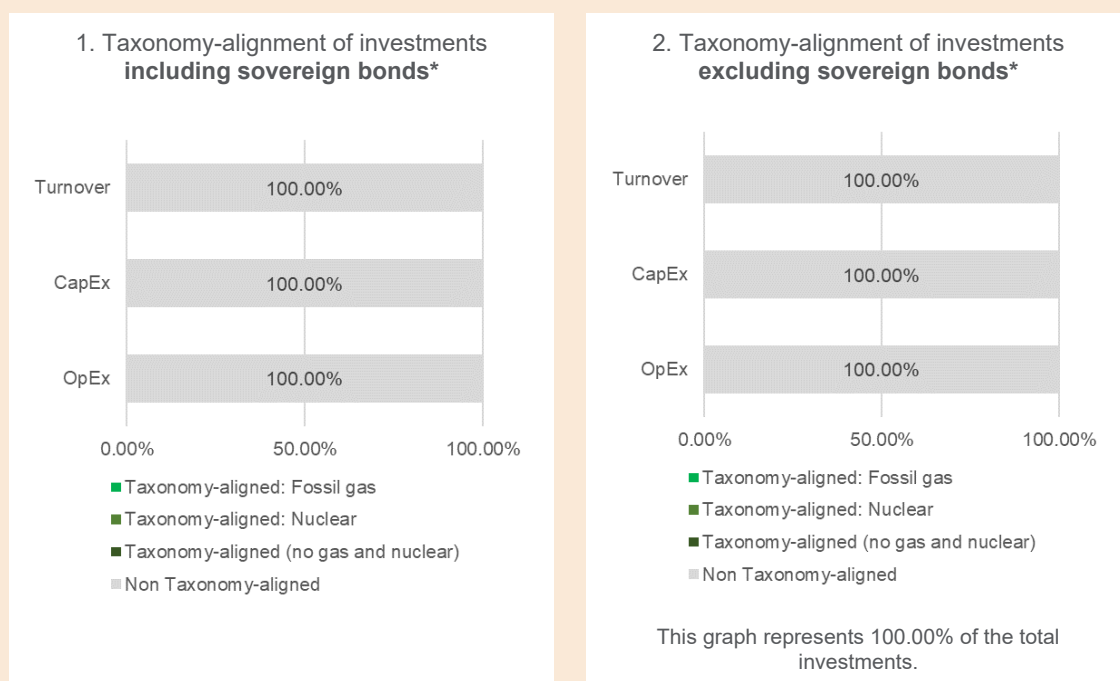


## To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?<sup>1</sup>

- Yes
- In fossil gas  In nuclear energy
- No

The graphs below show in green the percentage of investments that were 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.



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

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



● **What was the share of investments made in transitional and enabling activities?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, nor on the transitional and enabling activities, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Year	% EU Taxonomy Aligned
2023	0.00%
2022	0.00%

● **What is the breakdown of the proportion of the investments per each of the EU Taxonomy to which those investments contributed?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy

Therefore, this percentage is considered as null.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

● **What was the share of sustainable investments with an environmental objective not aligned with the EU taxonomy?**

The Sub-Fund had a share of 24.66% in sustainable investments on the environmental plan not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2023 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

● **What was the share of socially sustainable investments?**

The Sub-fund had a share of investments with a social objective of 42.73%

● **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments included under "Other" are present in the Sub-fund for 6.82% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions or being the result of the decision of market exposure of the Sub-Fund;
- Investments with issuers with E/S characteristics at the moment of the investment and are not fully aligned anymore with the Candriam investment with E/S criteria. These investments have been sold during the period or considered as other investments;
- Other investments (including single name derivatives) purchased for diversification purposes, which do not meet environmental or social characteristics or which may not be subject to an ESG screening or for which ESG data was not available. These investments have respected the good governance;
- Non single name derivatives used for exposition and hedging purposes.



**What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

The financial product aims to achieve a carbon footprint that is lower than the Benchmark.

Over the reference period, the financial product emitted 47.52 Tons CO2eq per million € invested, 71.82% lower than the benchmark.

The financial product has achieved its objective by favouring issuers with lower carbon footprint. More precisely, the financial product divested from 1 issuer(s) in Steel with deteriorating carbon footprint.



## How did this financial product perform compared to the reference benchmark?

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

No index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund

## Environmental and/or social characteristics

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

YES

- It made **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 made **sustainable investments with a social objective**: \_\_\_%

NO

- It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 93.11% 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 promoted E/S characteristics, but **did 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



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The environmental and social characteristics promoted by the Sub-fund have been achieved by:

- avoiding exposure to companies that present structural risks that are both material and severe and are most seriously in breach of normative principles taking into account practices in environmental and social issues as well as compliance with standards such as the United Nations Global Compact and the 'OECD Guidelines for Business standards.
- avoiding exposure to companies that are significantly exposed to controversial activities such extraction, transportation or distribution of thermal coal, the manufacturing or retailing of Tobacco and production or sale of controversial weapons (anti-personnel mines, cluster bombs, chemical, biological, phosphorus weapons white and depleted uranium.
- achieving a lower carbon footprint than the benchmark
- integrating Candriam's ESG research methodology into the investment process and investing a proportion of its assets in Sustainable Investments.

### How did the sustainability indicators perform?

For the selection of sustainable investments, the portfolio manager has taken into account ESG assessments of issuers, produced by Candriam's ESG analyst team.

For companies, these assessments are based on the analysis of the company's interactions with its key stakeholders and the analysis of its business activities and their impact, positive or negative, on key sustainability challenges such as climate change and resource depletion. In addition, Candriam's ESG analysis includes exclusion filters based on compliance with international standards and involvement in controversial activities.

Candriam's ESG research and analysis for sustainable investments also assesses the compliance of investments with the "do no harm" principle to a sustainable investment objective and with good governance practices.

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 33%). The proportion of sustainable investments in the Fund

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

was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

Sustainability KPI Name	Portfolio	Benchmark	New indicator
Carbon Footprint - Corporate - Scope 1&2 - Lower than bench	17.43	87.43	
ESG Score - Corporate - Higher than bench	59.74	53.23	

● **... And compared to previous periods?**

The sub-fund has also been managed in line with its sustainability indicators.

Sustainability KPI Name	Year	Portfolio	Benchmark
Carbon Footprint - Corporate - Scope 1&2 - Lower than bench	2022	22.20	94.48
ESG Score - Corporate - Higher than bench	2022	60.16	53.34

The asset allocation of the financial product has evolved over the years.

Investment Category	Proportion of Investments	Proportion of Investments
	2023	2022
#1 Aligned with E/S characteristics	93.11%	97.09%
#2 Other	6.89%	2.91%
#1A Sustainable	93.11%	97.09%
#1B Other E/S characteristics	0.00%	0.00%
Taxonomy-aligned	0.00%	0.00%
Other environmental	29.48%	34.67%
Social	63.62%	62.41%

## ● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objective?**

The sustainable investments which the Sub-fund intended to achieve for a portion of the portfolio were to contribute to the reduction of greenhouse gas emissions by means of exclusions and the use of climate indicators in the analysis of companies, and to have a positive impact on environment and social domains in the long-term.

The proportion of sustainable investments was higher than the minimum defined in the prospectus (minimum 33%). It allowed the Sub-fund to exceed the objectives initially set.

However, the Sub-fund is not able to publish a percentage of alignment with the Taxonomy since a small number of companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

## ● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Candriam ensured that those investments have not cause significant harm to any environmental and/or social sustainable investment objective by means of its ESG research and analysis of corporate issuers.

Based on its exclusive ESG Ratings and Scorings, Candriam's ESG methodology sets criteria and minimum thresholds to identify those issuers that qualify as 'sustainable investment' and, in particular, have not cause significant harm to any environmental and/or social sustainable investment objective.

The 'Do not significant harm' principle, in particular, was assessed for corporates through:

- the consideration of "principal adverse impacts"
- the alignment with the OECD Guidelines for Multinational Enterprises and the UN Global Compact to ensure minimum environmental & social safeguards.

For more details, refer to the section below on the consideration of principal adverse impacts on sustainability factors.

### ***How were the indicators for adverse impacts on sustainability factors taken into account?***

The consideration of adverse impacts is central to Candriam's sustainable investment approach. Principal adverse impacts were taken into account throughout the entire ESG research and analysis process and through a wide range of methods:

1. ESG rating of corporates: the ESG research and screening methodology considers and assesses the principal adverse impact on sustainability from two distinct, but interlinked, angles:

- the company's issuers' business activities and how they impact, either positively or negatively, key sustainable challenges such as climate change and resource depletion;
- company's interactions with key stakeholders.

2. Negative screening of companies, which includes a norms-based exclusion and an exclusion of companies involved in controversial activities.

3. Engagement activities with companies, through dialogue and voting activities, which contribute to avoiding or reducing the extent of the adverse impacts. The ESG analysis framework and its results feed our engagement process, and vice versa.

The integration of the principal adverse impacts on sustainability factors has been based on the materiality or likely materiality of each indicator for each specific industry / sector to which the company belongs. The materiality is dependent on several factors, such as: type of information, data quality and breadth, applicability, relevance, and geographical coverage.

### ***Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

The sustainable investments of the Sub-fund have been compliant with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights.

They are subject to a norms-based controversy analysis that considers the compliance with the international social, human, environmental and anti-corruption standards, as defined by the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises. The International Labour Organisation and International Bill of Human Rights are part of the many international references integrated into our norms-based analysis and ESG model.

This analysis aimed to exclude companies that have significantly and repeatedly breached any of these principles.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union 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.*

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

At Financial Product level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means: voting, dialogue, exclusions and/or monitoring (cfr. Candriam's PAI statement: <https://www.candriam.com/en/private/sfdri/>)

### ENGAGEMENT

Our engagement and voting policies are available on Candriam website [\[https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities\]](https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities).

### VOTING

The Candriam's approach to Corporate Governance relies on internationally-recognized standards.

Candriam has exercised voting rights when available on positions of the portfolio. Shareholders' rights, equality of shareholders, board accountability, transparency and integrity of financial statements are core pillars of our voting policy. When exercising our votes we pay a particular attention to the respect of pay-for-performance principle and to the board's independence level, diversity (PAI13) and expertise level.

In the context of Candriam's voting policy, specific guidelines are applied for a range of environmental- (e.g. climate (PAI1 to PAI6), biodiversity (PAI7)), social- (e.g. diversity, gender pay gap (PAI12), human rights (PAI10 PAI11)) and governance- related management or shareholder resolutions. ,

Candriam has an active approach to voting, in line with the consideration of the principle adverse impacts. Resolutions and voting opportunities are analysed in detail. Candriam always considers the relevance, consistence and feasibility of measures sponsored by any ESG resolution before casting vote. Thus, Candriam may vote against certain resolutions if they do not correspond to the principles defined in its voting policy or to the requirements relating to principle adverse impacts.

This year, we voted at 37 meetings: for 97.3 % of them we cast at least once against management.

With respect to environmental or social related resolutions, management submitted 3 of which we supported 100 %.

More specifically, 1 proposals were related to climate (100 % support).

In addition, and for any voted director-election items (116 resolutions), we took into consideration Board Gender diversity aspects (PAI13).

In total 4 resolutions were filed by shareholders and we supported 75 % of them.

For more detailed information about Candriam Voting policy evolution, votes and associated rationales, please refer to our voting dashboard [\[https://vds.issgovernance.com/vds/#/NDA0Nw==/\]](https://vds.issgovernance.com/vds/#/NDA0Nw==/)

### DIALOGUE with corporate issuers

This financial product is invested in corporate issuers. Below statistics refer to engagement activities we have performed with these corporate issuers.

Climate (PAI1 to PAI6) is obviously central in our exchanges with companies. Priorities of Climate-engagement on the corporate side are identified taking into account :

- issuers presenting a weak transition profile (proprietary risk transition model), and/or still highly carbon intensive (Scope 1-2) or with large Scope 3 emissions
- issuers from financial sectors still largely exposed to fossil fuel and with a key role in financing the transition
- relative exposure of managed portfolios to the above issuers.

Candriam has joined in November 2021 the Net Zero Asset Management Initiative [\[https://www.netzeroassetmanagers.org/signatories/candriam/\]](https://www.netzeroassetmanagers.org/signatories/candriam/). Through engagement, our objective is to encourage companies to publicly report on how they align with a 1.5D trajectory and to encourage such an alignment. We expect issuers in particular to explain how their strategy and capital expenditures plan serve their decarbonisation commitment. We usually combine individual and collaborative dialogue.

4 issuers in the financial product are actually part of the priority targets of Candriam Net Zero Engagement campaign.

In addition, we continue to actively support CDP Climate [\[https://www.cdp.net/en\]](https://www.cdp.net/en), a large transparency survey feeding our investment processes : out of the 31 financial product's issuers targeted, 96.77% have properly filled the last survey. Filled surveys give us access to updated and more accurate Scope 1-2-3 emissions' data.

Candriam also actively participate to several collaborative initiatives such as Climate Action 100+ or IIGCC & ShareAction Climate initiatives on Financials. Such initiatives targeted 1 issuer(s) of the financial product. These initiatives contribute not only to increase the level of transparency on Greenhouse gas emissions and related strategy, but also to gain fundamental leverage for supporting strategic changes. Outcomes of these engagements are detailed in our annual engagement & voting report, available on our public website (Publications | Candriam) [\[https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications\]](https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications).

Given the geopolitical context and observed increase in inequalities, 23 issuer(s) with presence in the financial product have also been contacted in relation to the protection of fundamental human rights at direct or indirect workforce level (supply chain due diligence) (PAI10 PAI11).

Inclusion is not to be outdone, with 24 issuers, of the portfolio having been more specifically engaged on topics related to PAI 12 (Unadjusted gender pay gap) or PAI 13 (Board gender diversity).

While above mentioned PAI are prevalent when considering engagement performed for this financial product in 2023, other PAI such as biodiversity-related ones may also have been addressed in our dialogues with issuers. For more information, please refer to Candriam Engagement Annual review under Candriam website [\[https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities\]](https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities).

### EXCLUSIONS

#### PAI3

In addition to companies involved in the thermal coal, oil and gas activities (PAI 4), electricity-generating companies with a carbon intensity greater than 354 gCO<sub>2</sub>/kWh (PAI 3), are considered risky for inclusion in sustainable investments, even if they are not universally controversial. Given that emissions vary according to electricity generation sources, it is important to assess the carbon footprint per kilowatt-hour (kWh) to determine how closely companies are aligned with the 2 degrees Celsius trajectory.

This is why Candriam includes the carbon intensity of energy producers in our sustainability assessment. Where carbon intensity data is not available, Candriam's ESG analysts use other indicators to assess alignment with the Paris Agreement, such as progress in the energy transition in line with Paris Agreement targets and integration of a 1.5D limit scenario, taking into account investment plans and the credibility of carbon neutrality targets. These indicators are forward-looking and evolve over time to reflect the progress made by companies in their transition.

The carbon intensity (PAI 3) threshold for the product in 2023 was established at 354 gCO<sub>2</sub>/kWh. Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding this threshold, in addition to those previously excluded.

#### **PAI4**

Exposure to fossil fuels (PAI 4) undergoes stringent exclusions across all Candriam sustainable funds. Thermal coal, recognized for its detrimental impact and serious financial and sustainability implications, poses systemic and reputational risks that financial benefits cannot outweigh.

Companies deriving more than 5% of their sales from coal mining, coal-fired power generation, and coal-related operations such as exploration, processing, transport, and distribution are automatically excluded.

Additionally, companies exceeding a 5% threshold of revenue from conventional oil and gas activities, including exploration, extraction, refining, and transportation, are ineligible for investment. Similarly, entities with over 5% exposure to unconventional oil and gas activities are also excluded.

Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding the 5% threshold of exposure to thermal coal activities, supplementing the previously excluded entities.

Furthermore, no additional issuer(s) lost their eligibility due to surpassing the 5% threshold of exposure to conventional oil and gas activities, while no additional issuer(s) lost their eligibility for exceeding the 5% threshold of exposure to unconventional oil and gas activities.

#### **PAI10**

In accordance with PAI10 Candriam's normative analysis determines whether a company complies with the 10 principles of the United Nations Global Compact for each of the main categories: Human Rights (HR), Labor Rights (LR), Environment (ENV) and Anti-Corruption (AC). Our norms based analysis incorporates various international references, including the United Nations Declaration of Human Rights, ILO Fundamental Conventions, and OECD Guidelines for Multinational Enterprises, ensuring comprehensive coverage of human rights, labor standards, corruption, and discrimination.

In Candriam's "Level 3" SRI exclusion policy, companies with severe to very severe violations of the UN Global Compact principles are excluded. This list focuses on a strict interpretation of violations of the UN Global Compact, as assessed by Candriam's ESG analysts.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, for significant and repeated breaches of international social, human, environmental and anti-corruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

#### **PAI14**

Candriam is firmly committed to excluding from all its investments companies directly involved in the development, production, testing, maintenance and sale of controversial weapons (anti-personnel landmines, cluster bombs, depleted uranium weapons and armor, chemical weapons, biological weapons and white phosphorus weapons). We consider these damaging activities to present systemic and reputational risks.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, due to their involvement in these activities.

**MONITORING:** calculation and evaluation of the principal adverse impact indicators

Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Financial Product. See below the results of the indicators of this Financial Product

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
Scope 1 GHG Emissions	476.46	93.10%	93.10%
Scope 2 GHG Emissions	321.21	93.10%	93.10%
Total GHG Emissions	797.67	93.10%	93.10%
2 - Carbon Footprint	17.43	93.10%	93.10%
3 - GHG intensity of investee companies	47.25	93.10%	93.10%
4 - Exposure to companies active in fossil fuel sector	0.00%	90.55%	93.09%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	93.10%	93.10%
13 - Board gender diversity	40.05%	91.83%	93.09%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	93.10%	93.10%





## What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: 01/01/2023 - 31/12/2023.

Largest investments	Sector	% of Assets	Country
FINECOBANK	Banks and other financial institutions	4.98%	ITA
DASSAULT SYST.	Internet and internet services	4.89%	FRA
KERRY GROUP -A-	Foods and non alcoholic drinks	4.83%	IRL
CARL ZEISS MEDITEC AG	Pharmaceuticals	4.77%	DEU
BIOMERIEUX SA	Pharmaceuticals	4.73%	FRA
SCHNEIDER ELECTRIC SE	Electrical engineering	4.61%	FRA
ASML HOLDING NV	Electronics and semiconductors	4.10%	NLD
INDITEX SHARE FROM SPLIT	Retail trade and department stores	4.02%	ESP
BEIERSDORF AG	Pharmaceuticals	3.90%	DEU
SYMRISE AG	Chemicals	3.66%	DEU
SANOFI	Pharmaceuticals	3.57%	FRA
DSM FIRMENICH	Banks and other financial institutions	3.41%	CHE
SIEMENS HEALTHINEERS	Pharmaceuticals	3.30%	DEU
KINGSPAN GROUP	Building materials	3.25%	IRL
L'OREAL SA	Pharmaceuticals	3.17%	FRA

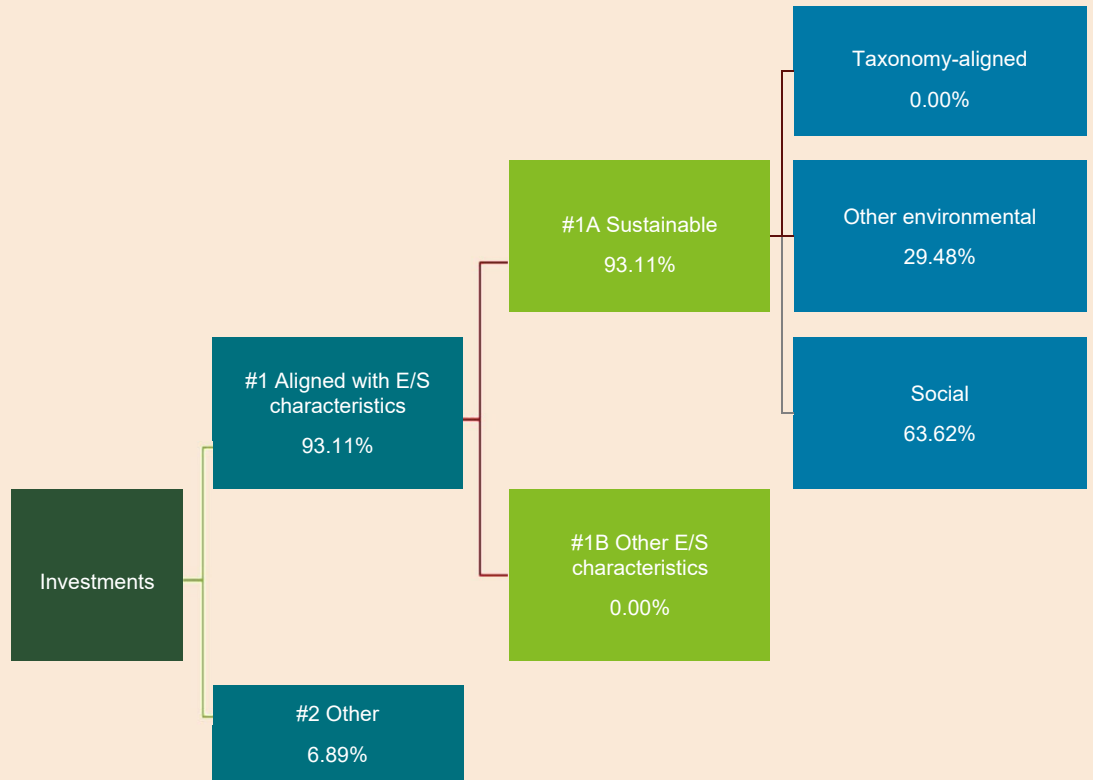
Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.



## What was the proportion of sustainability-related investments?

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

### ● What was the asset allocation?



**#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 environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● **In which economic sectors were the investments made?**

Top sector	% of Assets
Pharmaceuticals	25.52%
Banks and other financial institutions	21.64%
Internet and internet services	9.53%
Electrical engineering	9.18%
Machine and apparatus construction	6.57%
Electronics and semiconductors	5.67%
Chemicals	5.61%
Foods and non alcoholic drinks	5.34%
Retail trade and department stores	4.02%
Building materials	3.25%
Real estate	1.74%
Biotechnology	1.53%
Miscellaneous services	0.38%

*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**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.

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 the green operational activities of investee companies.

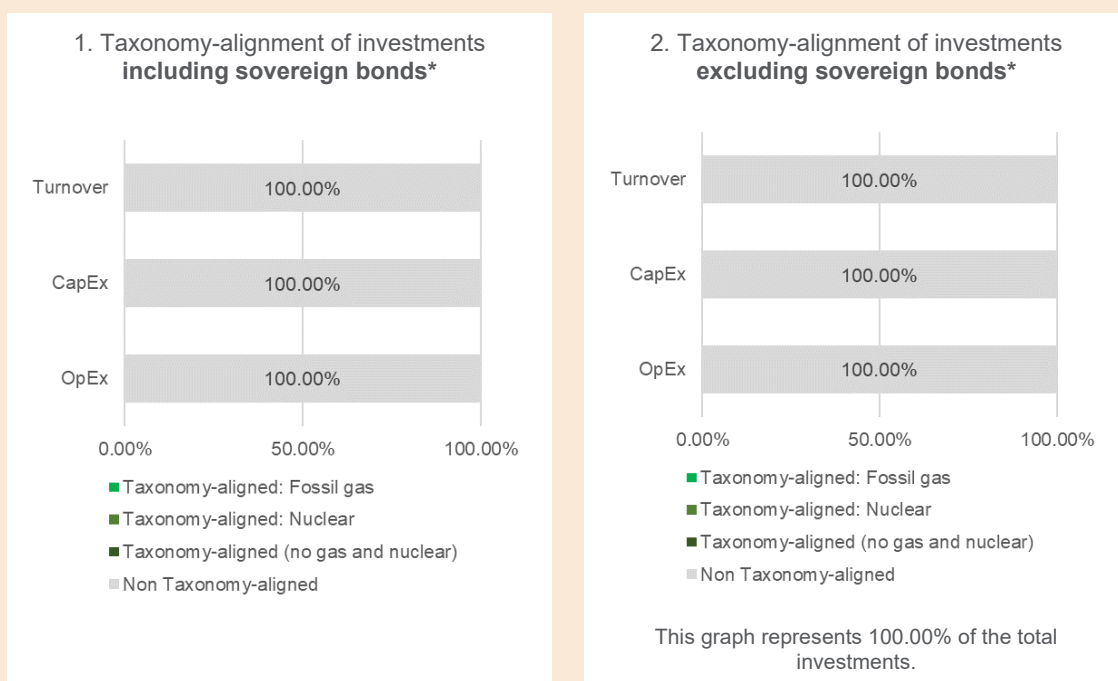


## To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?<sup>1</sup>

- Yes
- In fossil gas  In nuclear energy
- No

The graphs below show in green the percentage of investments that were 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.



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

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

● **What was the share of investments made in transitional and enabling activities?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, nor on the transitional and enabling activities, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Year	% EU Taxonomy Aligned
2023	0.00%
2022	0.00%

● **What is the breakdown of the proportion of the investments per each of the EU Taxonomy to which those investments contributed?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy

Therefore, this percentage is considered as nul.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

● **What was the share of sustainable investments with an environmental objective not aligned with the EU taxonomy?**

The Sub-Fund had a share of 29.48% in sustainable investments on the environmental plan not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2023 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

● **What was the share of socially sustainable investments?**

The Sub-fund had a share of investments with a social objective of 63.62%

● **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments included under "Other" are present in the Sub-fund for 6.89% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions or being the result of the decision of market exposure of the Sub-Fund;
- Investments with issuers with E/S characteristics at the moment of the investment and are not fully aligned anymore with the Candriam investment with E/S criteria. These investments have been sold during the period or considered as other investments;
- Other investments (including single name derivatives) purchased for diversification purposes, which do not meet environmental or social characteristics or which may not be subject to an ESG screening or for which ESG data was not available. These investments have respected the good governance;
- Non single name derivatives used for exposition and hedging purposes.



**What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

The financial product aims to achieve a carbon footprint that is lower than the Benchmark.

Over the reference period, the financial product emitted 17.43 Tons CO2eq per million € invested, 80.07% lower than the benchmark.

Compared to the previous year, the financial product's carbon footprint has decreased by 21.5%.

The financial product has achieved its objective by favouring issuers with lower carbon footprint.

The financial product aims to achieve an ESG score, based on Candriam's proprietary ESG methodology, higher than its benchmark.

Over the reference period, the financial product displayed an ESG score of 59.74, 12.23% higher compared to its benchmark.

The financial product has achieved its objective by selectively favouring issuers that display a stronger ESG profile. The financial product invested in 1 issuer(s) in Specialty Chemicals with improving ESG profiles.



## How did this financial product perform compared to the reference benchmark?

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

No index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund

## Environmental and/or social characteristics

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

YES

- It made **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 made **sustainable investments with a social objective**: \_\_\_%

NO

- It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 94.03% 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 promoted E/S characteristics, but **did 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



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The environmental and social characteristics promoted by the Sub-fund have been achieved by:

- avoiding exposure to companies that present structural risks that are both material and severe and are most seriously in breach of normative principles taking into account practices in environmental and social issues as well as compliance with standards such as the United Nations Global Compact and the 'OECD Guidelines for Business standards.
- avoiding exposure to companies that are significantly exposed to controversial activities such extraction, transportation or distribution of thermal coal, the manufacturing or retailing of Tobacco and production or sale of controversial weapons (anti-personnel mines, cluster bombs, chemical, biological, phosphorus weapons white and depleted uranium.
- achieving a lower carbon footprint than the benchmark
- integrating Candriam's ESG research methodology into the investment process and investing a proportion of its assets in Sustainable Investments.

### ● How did the sustainability indicators perform?

For the selection of sustainable investments, the portfolio manager has taken into account ESG assessments of issuers, produced by Candriam's ESG analyst team.

For companies, these assessments are based on the analysis of the company's interactions with its key stakeholders and the analysis of its business activities and their impact, positive or negative, on key sustainability challenges such as climate change and resource depletion. In addition, Candriam's ESG analysis includes exclusion filters based on compliance with international standards and involvement in controversial activities.

Candriam's ESG research and analysis for sustainable investments also assesses the compliance of investments with the "do no harm" principle to a sustainable investment objective and with good governance practices.

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 33%). The proportion of sustainable investments in the Fund

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

was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

Sustainability KPI Name	Portfolio	Benchmark	New indicator
Carbon Footprint - Corporate - Scope 1&2 - Lower than bench	14.42	76.15	

● **... And compared to previous periods?**

The sub-fund has also been managed in line with its sustainability indicators.

Sustainability KPI Name	Year	Portfolio	Benchmark
Carbon Footprint - Corporate - Scope 1&2 - Lower than bench	2022	17.07	77.43

The asset allocation of the financial product has evolved over the years.

Investment Category	Proportion of Investments	Proportion of Investments
	2023	2022
#1 Aligned with E/S characteristics	94.03%	98.35%
#2 Other	5.97%	1.65%
#1A Sustainable	94.03%	98.35%
#1B Other E/S characteristics	0.00%	0.00%
Taxonomy-aligned	0.00%	0.00%
Other environmental	29.86%	31.73%
Social	64.18%	66.62%



## ● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objective?**

The sustainable investments which the Sub-fund intended to achieve for a portion of the portfolio were to contribute to the reduction of greenhouse gas emissions by means of exclusions and the use of climate indicators in the analysis of companies, and to have a positive impact on environment and social domains in the long-term.

The proportion of sustainable investments was higher than the minimum defined in the prospectus (minimum 33%). It allowed the Sub-fund to exceed the objectives initially set.

However, the Sub-fund is not able to publish a percentage of alignment with the Taxonomy since a small number of companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

## ● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Candriam ensured that those investments have not cause significant harm to any environmental and/or social sustainable investment objective by means of its ESG research and analysis of corporate issuers.

Based on its exclusive ESG Ratings and Scorings, Candriam's ESG methodology sets criteria and minimum thresholds to identify those issuers that qualify as 'sustainable investment' and, in particular, have not cause significant harm to any environmental and/or social sustainable investment objective.

The 'Do not significant harm' principle, in particular, was assessed for corporates through:

- the consideration of "principal adverse impacts"
- the alignment with the OECD Guidelines for Multinational Enterprises and the UN Global Compact to ensure minimum environmental & social safeguards.

For more details, refer to the section below on the consideration of principal adverse impacts on sustainability factors.

### ***How were the indicators for adverse impacts on sustainability factors taken into account?***

The consideration of adverse impacts is central to Candriam's sustainable investment approach. Principal adverse impacts were taken into account throughout the entire ESG research and analysis process and through a wide range of methods:

1. ESG rating of corporates: the ESG research and screening methodology considers and assesses the principal adverse impact on sustainability from two distinct, but interlinked, angles:

- the company's issuers' business activities and how they impact, either positively or negatively, key sustainable challenges such as climate change and resource depletion;
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The integration of the principal adverse impacts on sustainability factors has been based on the materiality or likely materiality of each indicator for each specific industry / sector to which the company belongs. The materiality is dependent on several factors, such as: type of information, data quality and breadth, applicability, relevance, and geographical coverage.

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

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

At Financial Product level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means: voting, dialogue, exclusions and/or monitoring (cfr. Candriam's PAI statement: <https://www.candriam.com/en/private/sfdri/>)

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### VOTING

The Candriam's approach to Corporate Governance relies on internationally-recognized standards.

Candriam has exercised voting rights when available on positions of the portfolio. Shareholders' rights, equality of shareholders, board accountability, transparency and integrity of financial statements are core pillars of our voting policy. When exercising our votes we pay a particular attention to the respect of pay-for-performance principle and to the board's independence level, diversity (PAI13) and expertise level.

In the context of Candriam's voting policy, specific guidelines are applied for a range of environmental- (e.g. climate (PAI1 to PAI6), biodiversity (PAI7)), social- (e.g. diversity, gender pay gap (PAI12), human rights (PAI10 PAI11)) and governance- related management or shareholder resolutions. ,

Candriam has an active approach to voting, in line with the consideration of the principle adverse impacts. Resolutions and voting opportunities are analysed in detail. Candriam always considers the relevance, consistence and feasibility of measures sponsored by any ESG resolution before casting vote. Thus, Candriam may vote against certain resolutions if they do not correspond to the principles defined in its voting policy or to the requirements relating to principle adverse impacts.

This year, we voted at 51 meetings: for 98.04 % of them we cast at least once against management.

With respect to environmental or social related resolutions, management submitted 9 of which we supported 100 %.

More specifically, 1 proposals were related to climate (100 % support).

In addition, and for any voted director-election items (262 resolutions), we took into consideration Board Gender diversity aspects (PAI13).

In total 4 resolutions were filed by shareholders and we supported 75 % of them.

For more detailed information about Candriam Voting policy evolution, votes and associated rationales, please refer to our voting dashboard [\[https://vds.issgovernance.com/vds/#/NDA0Nw==/\]](https://vds.issgovernance.com/vds/#/NDA0Nw==/)

### DIALOGUE with corporate issuers

This financial product is invested in corporate issuers. Below statistics refer to engagement activities we have performed with these corporate issuers.

Climate (PAI1 to PAI6) is obviously central in our exchanges with companies. Priorities of Climate-engagement on the corporate side are identified taking into account :

- issuers presenting a weak transition profile (proprietary risk transition model), and/or still highly carbon intensive (Scope 1-2) or with large Scope 3 emissions
- issuers from financial sectors still largely exposed to fossil fuel and with a key role in financing the transition
- relative exposure of managed portfolios to the above issuers.

Candriam has joined in November 2021 the Net Zero Asset Management Initiative [\[https://www.netzeroassetmanagers.org/signatories/candriam/\]](https://www.netzeroassetmanagers.org/signatories/candriam/). Through engagement, our objective is to encourage companies to publicly report on how they align with a 1.5D trajectory and to encourage such an alignment. We expect issuers in particular to explain how their strategy and capital expenditures plan serve their decarbonisation commitment. We usually combine individual and collaborative dialogue.

6 issuers in the financial product are actually part of the priority targets of Candriam Net Zero Engagement campaign.

In addition, we continue to actively support CDP Climate [\[https://www.cdp.net/en\]](https://www.cdp.net/en), a large transparency survey feeding our investment processes : out of the 44 financial product's issuers targeted, 93.18% have properly filled the last survey. Filled surveys give us access to updated and more accurate Scope 1-2-3 emissions' data.

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Given the geopolitical context and observed increase in inequalities, 34 issuer(s) with presence in the financial product have also been contacted in relation to the protection of fundamental human rights at direct or indirect workforce level (supply chain due diligence) (PAI10 PAI11).

Inclusion is not to be outdone, with 35 issuers, of the portfolio having been more specifically engaged on topics related to PAI 12 (Unadjusted gender pay gap) or PAI 13 (Board gender diversity).

While above mentioned PAI are prevalent when considering engagement performed for this financial product in 2023, other PAI such as biodiversity-related ones may also have been addressed in our dialogues with issuers. For more information, please refer to Candriam Engagement Annual review under Candriam website [\[https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities\]](https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities).

### EXCLUSIONS

#### PAI3

In addition to companies involved in the thermal coal, oil and gas activities (PAI 4), electricity-generating companies with a carbon intensity greater than 354 gCO<sub>2</sub>/kWh (PAI 3), are considered risky for inclusion in sustainable investments, even if they are not universally controversial. Given that emissions vary according to electricity generation sources, it is important to assess the carbon footprint per kilowatt-hour (kWh) to determine how closely companies are aligned with the 2 degrees Celsius trajectory.

This is why Candriam includes the carbon intensity of energy producers in our sustainability assessment. Where carbon intensity data is not available, Candriam's ESG analysts use other indicators to assess alignment with the Paris Agreement, such as progress in the energy transition in line with Paris Agreement targets and integration of a 1.5D limit scenario, taking into account investment plans and the credibility of carbon neutrality targets. These indicators are forward-looking and evolve over time to reflect the progress made by companies in their transition.

The carbon intensity (PAI 3) threshold for the product in 2023 was established at 354 gCO<sub>2</sub>/kWh. Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding this threshold, in addition to those previously excluded.

#### **PAI4**

Exposure to fossil fuels (PAI 4) undergoes stringent exclusions across all Candriam sustainable funds. Thermal coal, recognized for its detrimental impact and serious financial and sustainability implications, poses systemic and reputational risks that financial benefits cannot outweigh.

Companies deriving more than 5% of their sales from coal mining, coal-fired power generation, and coal-related operations such as exploration, processing, transport, and distribution are automatically excluded.

Additionally, companies exceeding a 5% threshold of revenue from conventional oil and gas activities, including exploration, extraction, refining, and transportation, are ineligible for investment. Similarly, entities with over 5% exposure to unconventional oil and gas activities are also excluded.

Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding the 5% threshold of exposure to thermal coal activities, supplementing the previously excluded entities.

Furthermore, no additional issuer(s) lost their eligibility due to surpassing the 5% threshold of exposure to conventional oil and gas activities, while no additional issuer(s) lost their eligibility for exceeding the 5% threshold of exposure to unconventional oil and gas activities.

#### **PAI10**

In accordance with PAI10 Candriam's normative analysis determines whether a company complies with the 10 principles of the United Nations Global Compact for each of the main categories: Human Rights (HR), Labor Rights (LR), Environment (ENV) and Anti-Corruption (AC). Our norms based analysis incorporates various international references, including the United Nations Declaration of Human Rights, ILO Fundamental Conventions, and OECD Guidelines for Multinational Enterprises, ensuring comprehensive coverage of human rights, labor standards, corruption, and discrimination.

In Candriam's "Level 3" SRI exclusion policy, companies with severe to very severe violations of the UN Global Compact principles are excluded. This list focuses on a strict interpretation of violations of the UN Global Compact, as assessed by Candriam's ESG analysts.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, for significant and repeated breaches of international social, human, environmental and anti-corruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

#### **PAI14**

Candriam is firmly committed to excluding from all its investments companies directly involved in the development, production, testing, maintenance and sale of controversial weapons (anti-personnel landmines, cluster bombs, depleted uranium weapons and armor, chemical weapons, biological weapons and white phosphorus weapons). We consider these damaging activities to present systemic and reputational risks.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, due to their involvement in these activities.

**MONITORING:** calculation and evaluation of the principal adverse impact indicators

Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Financial Product. See below the results of the indicators of this Financial Product

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
Scope 1 GHG Emissions	8,770.12	94.03%	94.03%
Scope 2 GHG Emissions	6,688.34	94.03%	94.03%
Total GHG Emissions	15,458.46	94.03%	94.03%
2 - Carbon Footprint	14.42	94.03%	94.03%
3 - GHG intensity of investee companies	41.54	94.03%	94.03%
4 - Exposure to companies active in fossil fuel sector	0.38%	92.14%	94.04%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	94.03%	94.03%
13 - Board gender diversity	40.61%	92.96%	94.06%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	94.03%	94.03%



## What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: 01/01/2023 - 31/12/2023.

Largest investments	Sector	% of Assets	Country
BIOMERIEUX SA	Pharmaceuticals	4.38%	FRA
HEXAGON - REG SHS -B-	Machine and apparatus construction	4.19%	SWE
DASSAULT SYST.	Internet and internet services	4.14%	FRA
NESTLE SA PREFERENTIAL SHARE	Foods and non alcoholic drinks	4.08%	CHE
KERRY GROUP -A-	Foods and non alcoholic drinks	4.00%	IRL
HALMA PLC	Electronics and semiconductors	3.87%	GBR
SCHNEIDER ELECTRIC SE	Electrical engineering	3.37%	FRA
FINECOBANK	Banks and other financial institutions	3.24%	ITA
SPIRAX-SARCO ENGIN	Machine and apparatus construction	3.17%	GBR
TECAN GROUP NAM.AKT	Pharmaceuticals	3.09%	CHE
TOMRA SYSTEMS ASA	Machine and apparatus construction	2.93%	NOR
CARL ZEISS MEDITEC AG	Pharmaceuticals	2.91%	DEU
SYMRISE AG	Chemicals	2.64%	DEU
DSM FIRMENICH	Banks and other financial institutions	2.57%	CHE
ASML HOLDING NV	Electronics and semiconductors	2.56%	NLD

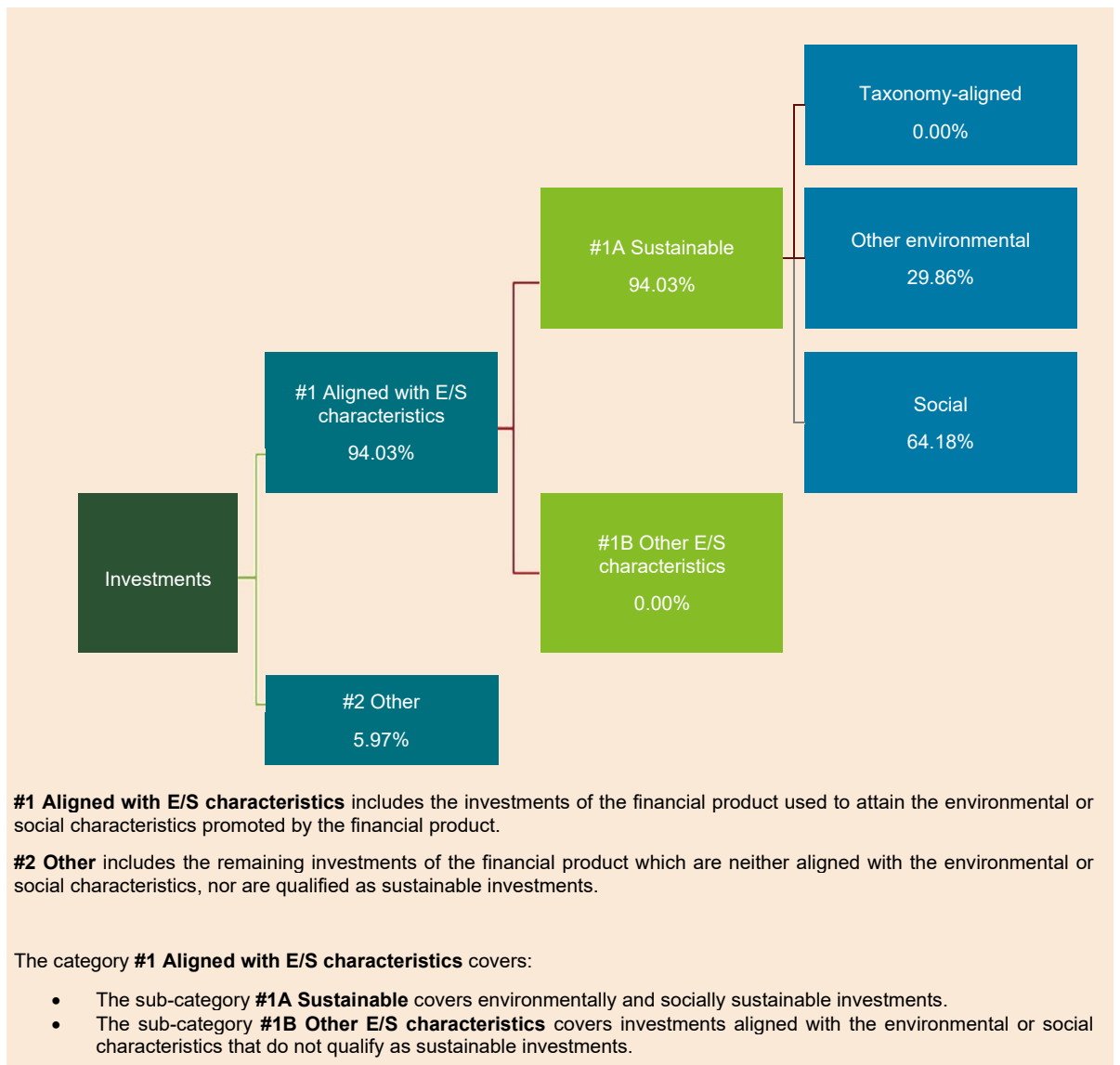
Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.



## What was the proportion of sustainability-related investments?

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

### ● What was the asset allocation?



● **In which economic sectors were the investments made?**

Top sector	% of Assets
Pharmaceuticals	22.70%
Machine and apparatus construction	14.29%
Banks and other financial institutions	14.00%
Foods and non alcoholic drinks	8.55%
Internet and internet services	7.33%
Electronics and semiconductors	7.19%
Chemicals	6.15%
Electrical engineering	4.86%
Biotechnology	2.83%
Miscellaneous consumer goods	2.73%
Building materials	2.03%
Retail trade and department stores	1.94%
Insurance	1.71%
Precious metals and stones	1.33%
Miscellaneous services	1.08%

*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**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.

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 the green operational activities of investee companies.

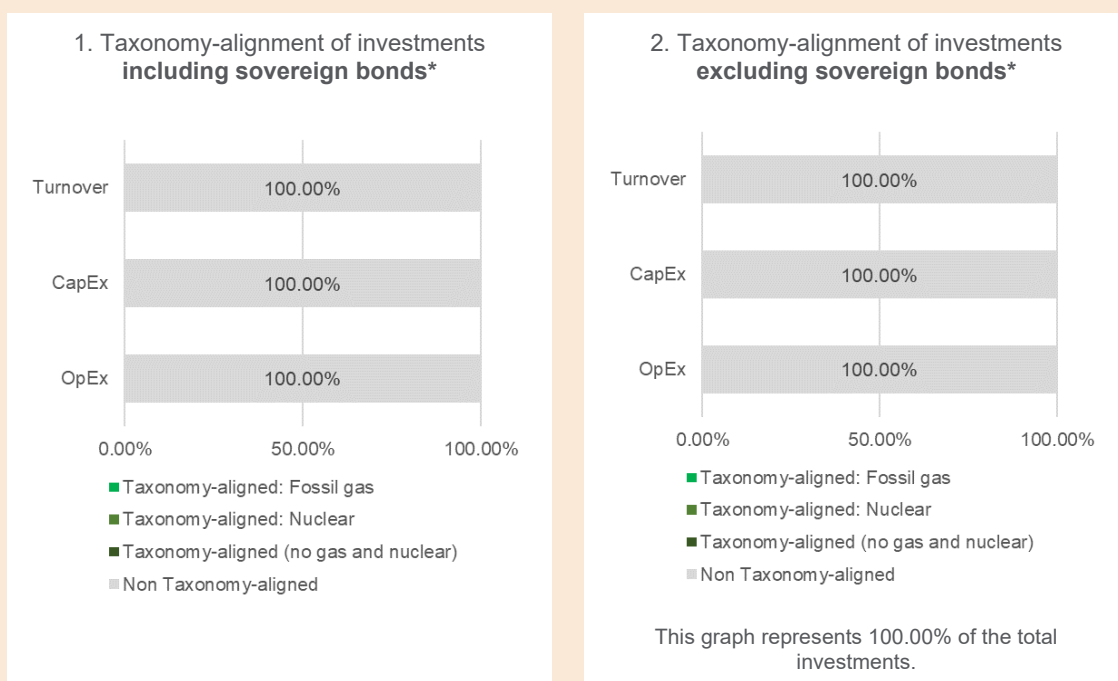


## To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?<sup>1</sup>

- Yes
- In fossil gas  In nuclear energy
- No

The graphs below show in green the percentage of investments that were 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.



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

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



● **What was the share of investments made in transitional and enabling activities?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, nor on the transitional and enabling activities, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Year	% EU Taxonomy Aligned
2023	0.00%
2022	0.00%

● **What is the breakdown of the proportion of the investments per each of the EU Taxonomy to which those investments contributed?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy

Therefore, this percentage is considered as nul.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

● **What was the share of sustainable investments with an environmental objective not aligned with the EU taxonomy?**

The Sub-Fund had a share of 29.86% in sustainable investments on the environmental plan not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2023 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

● **What was the share of socially sustainable investments?**

The Sub-fund had a share of investments with a social objective of 64.18%

● **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments included under "Other" are present in the Sub-fund for 5.97% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions or being the result of the decision of market exposure of the Sub-Fund;
- Investments with issuers with E/S characteristics at the moment of the investment and are not fully aligned anymore with the Candriam investment with E/S criteria. These investments have been sold during the period or considered as other investments;
- Other investments (including single name derivatives) purchased for diversification purposes, which do not meet environmental or social characteristics or which may not be subject to an ESG screening or for which ESG data was not available. These investments have respected the good governance;
- Non single name derivatives used for exposition and hedging purposes.



**What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

The financial product aims to achieve a carbon footprint that is lower than the Benchmark.

Over the reference period, the financial product emitted 14.42 Tons CO2eq per million € invested, 81.06% lower than the benchmark.

Compared to the previous year, the financial product's carbon footprint has decreased by 15.53%.

The financial product has achieved its objective by favouring issuers with lower carbon footprint.



## How did this financial product perform compared to the reference benchmark?

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

No index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund

## 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

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

YES

- It made **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 made **sustainable investments with a social objective**: \_\_\_%

NO

- It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 95.34% 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 promoted E/S characteristics, but **did not make any sustainable investments**



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The environmental and social characteristics promoted by the Sub-fund have been achieved by:

- avoiding exposure to companies that present structural risks that are both material and severe and are most seriously in breach of normative principles taking into account practices in environmental and social issues as well as compliance with standards such as the United Nations Global Compact and the 'OECD Guidelines for Business standards.
- avoiding exposure to companies that are significantly exposed to controversial activities such extraction, transportation or distribution of thermal coal, the manufacturing or retailing of Tobacco and production or sale of controversial weapons (anti-personnel mines, cluster bombs, chemical, biological, phosphorus weapons white and depleted uranium.
- achieving a lower carbon footprint than the benchmark
- integrating Candriam's ESG research methodology into the investment process and investing a proportion of its assets in Sustainable Investments.

### ● How did the sustainability indicators perform?

For the selection of sustainable investments, the portfolio manager has taken into account ESG assessments of issuers, produced by Candriam's ESG analyst team.

For companies, these assessments are based on the analysis of the company's interactions with its key stakeholders and the analysis of its business activities and their impact, positive or negative, on key sustainability challenges such as climate change and resource depletion. In addition, Candriam's ESG analysis includes exclusion filters based on compliance with international standards and involvement in controversial activities.

Candriam's ESG research and analysis for sustainable investments also assesses the compliance of investments with the "do no harm" principle to a sustainable investment objective and with good governance practices.

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 33%). The proportion of sustainable investments in the Fund was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

Sustainability KPI Name	Portfolio	Benchmark	New indicator
Carbon Footprint - Corporate - Scope 1&2 - Lower than bench	20.67	76.15	
ESG Score - Corporate - Higher than bench	59.31	53.67	

### ● ... And compared to previous periods?

The sub-fund has also been managed in line with its sustainability indicators.

Sustainability KPI Name	Year	Portfolio	Benchmark
Carbon Footprint - Corporate - Scope 1&2 - Lower than bench	2022	27.07	77.43
ESG Score - Corporate - Higher than bench	2022	59.98	53.65

The asset allocation of the financial product has evolved over the years.

Investment Category	Proportion of Investments	Proportion of Investments
	2023	2022
#1 Aligned with E/S characteristics	95.55%	95.05%
#2 Other	4.45%	4.42%
#1A Sustainable	95.34%	92.08%
#1B Other E/S characteristics	0.21%	2.97%
Taxonomy-aligned	0.00%	0.00%
Other environmental	30.76%	30.58%
Social	64.58%	61.49%

## ● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objective?**

The sustainable investments which the Sub-fund intended to achieve for a portion of the portfolio were to contribute to the reduction of greenhouse gas emissions by means of exclusions and the use of climate indicators in the analysis of companies, and to have a positive impact on environment and social domains in the long-term.

The proportion of sustainable investments was higher than the minimum defined in the prospectus (minimum 33%). It allowed the Sub-fund to exceed the objectives initially set.

However, the Sub-fund is not able to publish a percentage of alignment with the Taxonomy since a small number of companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

## ● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Candriam ensured that those investments have not cause significant harm to any environmental and/or social sustainable investment objective by means of its ESG research and analysis of corporate issuers.

Based on its exclusive ESG Ratings and Scorings, Candriam's ESG methodology sets criteria and minimum thresholds to identify those issuers that qualify as 'sustainable investment' and, in particular, have not cause significant harm to any environmental and/or social sustainable investment objective.

The 'Do not significant harm' principle, in particular, was assessed for corporates through:

- the consideration of "principal adverse impacts"
- the alignment with the OECD Guidelines for Multinational Enterprises and the UN Global Compact to ensure minimum environmental & social safeguards.

For more details, refer to the section below on the consideration of principal adverse impacts on sustainability factors.

### ***How were the indicators for adverse impacts on sustainability factors taken into account?***

The consideration of adverse impacts is central to Candriam's sustainable investment approach. Principal adverse impacts were taken into account throughout the entire ESG research and analysis process and through a wide range of methods:

1. ESG rating of corporates: the ESG research and screening methodology considers and assesses the principal adverse impact on sustainability from two distinct, but interlinked, angles:

- the company's issuers' business activities and how they impact, either positively or negatively, key sustainable challenges such as climate change and resource depletion;
- company's interactions with key stakeholders.

2. Negative screening of companies, which includes a norms-based exclusion and an exclusion of companies involved in controversial activities.

3. Engagement activities with companies, through dialogue and voting activities, which contribute to avoiding or reducing the extent of the adverse impacts. The ESG analysis framework and its results feed our engagement process, and vice versa.

The integration of the principal adverse impacts on sustainability factors has been based on the materiality or likely materiality of each indicator for each specific industry / sector to which the company belongs. The materiality is dependent on several factors, such as: type of information, data quality and breadth, applicability, relevance, and geographical coverage.

### ***Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

The sustainable investments of the Sub-fund have been compliant with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights.

They are subject to a norms-based controversy analysis that considers the compliance with the international social, human, environmental and anti-corruption standards, as defined by the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises. The International Labour Organisation and International Bill of Human Rights are part of the many international references integrated into our norms-based analysis and ESG model.

This analysis aimed to exclude companies that have significantly and repeatedly breached any of these principles.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union 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.*

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

At Financial Product level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means: voting, dialogue, exclusions and/or monitoring (cfr. Candriam's PAI statement: <https://www.candriam.com/en/private/sfdri/>)

### ENGAGEMENT

Our engagement and voting policies are available on Candriam website [\[https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities\]](https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities).

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### EXCLUSIONS

#### PAI3

In addition to companies involved in the thermal coal, oil and gas activities (PAI 4), electricity-generating companies with a carbon intensity greater than 354 gCO<sub>2</sub>/kWh (PAI 3), are considered risky for inclusion in sustainable investments, even if they are not universally controversial. Given that emissions vary according to electricity generation sources, it is important to assess the carbon footprint per kilowatt-hour (kWh) to determine how closely companies are aligned with the 2 degrees Celsius trajectory.

This is why Candriam includes the carbon intensity of energy producers in our sustainability assessment. Where carbon intensity data is not available, Candriam's ESG analysts use other indicators to assess alignment with the Paris Agreement, such as progress in the energy transition in line with Paris Agreement targets and integration of a 1.5D limit scenario, taking into account investment plans and the credibility of carbon neutrality targets. These indicators are forward-looking and evolve over time to reflect the progress made by companies in their transition.

The carbon intensity (PAI 3) threshold for the product in 2023 was established at 354 gCO<sub>2</sub>/kWh. Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding this threshold, in addition to those previously excluded.

#### **PAI4**

Exposure to fossil fuels (PAI 4) undergoes stringent exclusions across all Candriam sustainable funds. Thermal coal, recognized for its detrimental impact and serious financial and sustainability implications, poses systemic and reputational risks that financial benefits cannot outweigh.

Companies deriving more than 5% of their sales from coal mining, coal-fired power generation, and coal-related operations such as exploration, processing, transport, and distribution are automatically excluded.

Additionally, companies exceeding a 5% threshold of revenue from conventional oil and gas activities, including exploration, extraction, refining, and transportation, are ineligible for investment. Similarly, entities with over 5% exposure to unconventional oil and gas activities are also excluded.

Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding the 5% threshold of exposure to thermal coal activities, supplementing the previously excluded entities.

Furthermore, no additional issuer(s) lost their eligibility due to surpassing the 5% threshold of exposure to conventional oil and gas activities, while no additional issuer(s) lost their eligibility for exceeding the 5% threshold of exposure to unconventional oil and gas activities.

#### **PAI10**

In accordance with PAI10 Candriam's normative analysis determines whether a company complies with the 10 principles of the United Nations Global Compact for each of the main categories: Human Rights (HR), Labor Rights (LR), Environment (ENV) and Anti-Corruption (AC). Our norms based analysis incorporates various international references, including the United Nations Declaration of Human Rights, ILO Fundamental Conventions, and OECD Guidelines for Multinational Enterprises, ensuring comprehensive coverage of human rights, labor standards, corruption, and discrimination.

In Candriam's "Level 3" SRI exclusion policy, companies with severe to very severe violations of the UN Global Compact principles are excluded. This list focuses on a strict interpretation of violations of the UN Global Compact, as assessed by Candriam's ESG analysts.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, for significant and repeated breaches of international social, human, environmental and anti-corruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

#### **PAI14**

Candriam is firmly committed to excluding from all its investments companies directly involved in the development, production, testing, maintenance and sale of controversial weapons (anti-personnel landmines, cluster bombs, depleted uranium weapons and armor, chemical weapons, biological weapons and white phosphorus weapons). We consider these damaging activities to present systemic and reputational risks.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, due to their involvement in these activities.

**MONITORING:** calculation and evaluation of the principal adverse impact indicators

Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Financial Product. See below the results of the indicators of this Financial Product

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
Scope 1 GHG Emissions	7,076.81	95.56%	95.56%
Scope 2 GHG Emissions	5,076.29	95.56%	95.56%
Total GHG Emissions	12,153.10	95.56%	95.56%
2 - Carbon Footprint	20.67	95.56%	95.56%
3 - GHG intensity of investee companies	68.50	95.56%	95.56%
4 - Exposure to companies active in fossil fuel sector	0.49%	93.88%	95.56%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	95.56%	95.56%
13 - Board gender diversity	40.17%	93.57%	95.56%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	95.56%	95.56%





## What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: 01/01/2023 - 31/12/2023.

Largest investments	Sector	% of Assets	Country
RECKITT BENCKISER GROUP PLC	Miscellaneous consumer goods	3.34%	GBR
BEIERSDORF AG	Pharmaceuticals	3.34%	DEU
KERRY GROUP -A-	Foods and non alcoholic drinks	3.21%	IRL
UNILEVER	Foods and non alcoholic drinks	3.19%	GBR
NESTLE SA PREFERENTIAL SHARE	Foods and non alcoholic drinks	3.16%	CHE
BUREAU VERITAS SA	Miscellaneous services	3.11%	FRA
BIOMERIEUX SA	Pharmaceuticals	3.09%	FRA
KBC GROUPE SA	Banks and other financial institutions	2.88%	BEL
DASSAULT SYST.	Internet and internet services	2.75%	FRA
SCHNEIDER ELECTRIC SE	Electrical engineering	2.71%	FRA
AIR LIQUIDE SA	Chemicals	2.65%	FRA
TECAN GROUP NAM.AKT	Pharmaceuticals	2.62%	CHE
SANOFI	Pharmaceuticals	2.60%	FRA
SIEMENS HEALTHINEERS	Pharmaceuticals	2.48%	DEU
ROCHE HOLDING LTD	Pharmaceuticals	2.20%	CHE

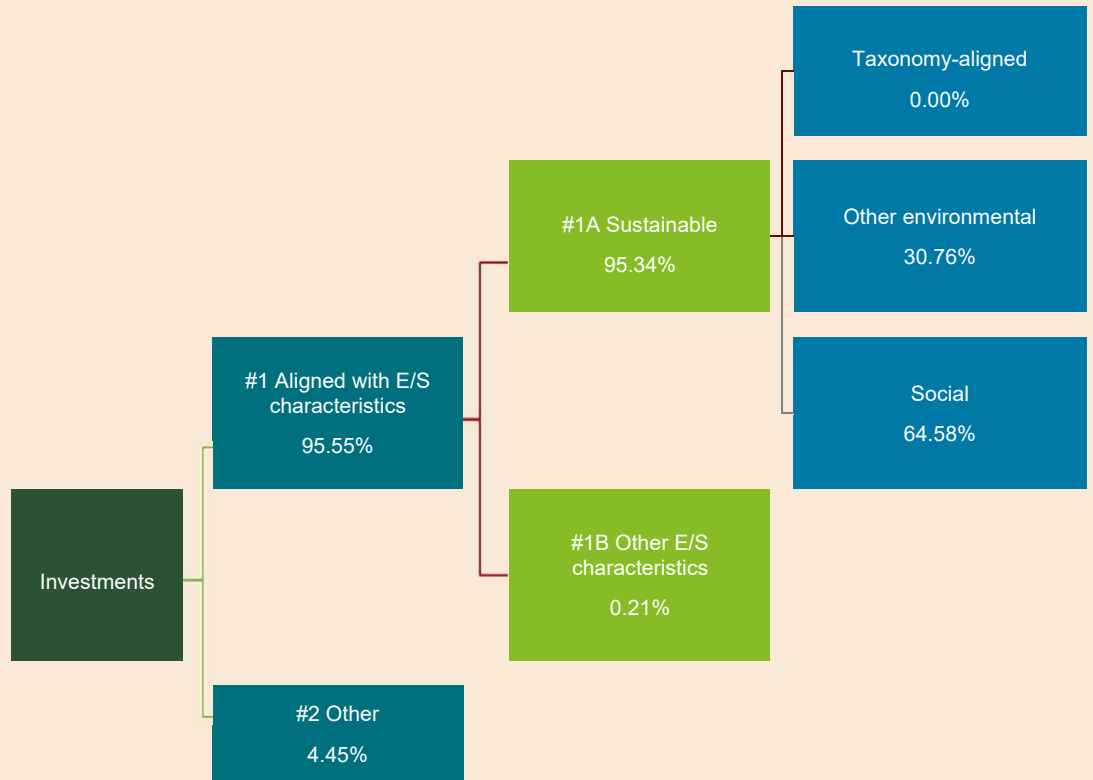
Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.



## What was the proportion of sustainability-related investments?

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

### ● What was the asset allocation?



**#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 environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● **In which economic sectors were the investments made?**

Top sector	% of Assets
Pharmaceuticals	24.13%
Banks and other financial institutions	15.66%
Foods and non alcoholic drinks	9.57%
Chemicals	9.31%
Insurance	5.96%
Internet and internet services	5.40%
Miscellaneous services	4.73%
Real estate	4.11%
Miscellaneous consumer goods	3.34%
Electrical engineering	3.10%
Machine and apparatus construction	2.86%
Biotechnology	2.56%
Hotels and restaurants	2.07%
Electronics and semiconductors	1.87%
Retail trade and department stores	1.70%

*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**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.

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 the green operational activities of investee companies.

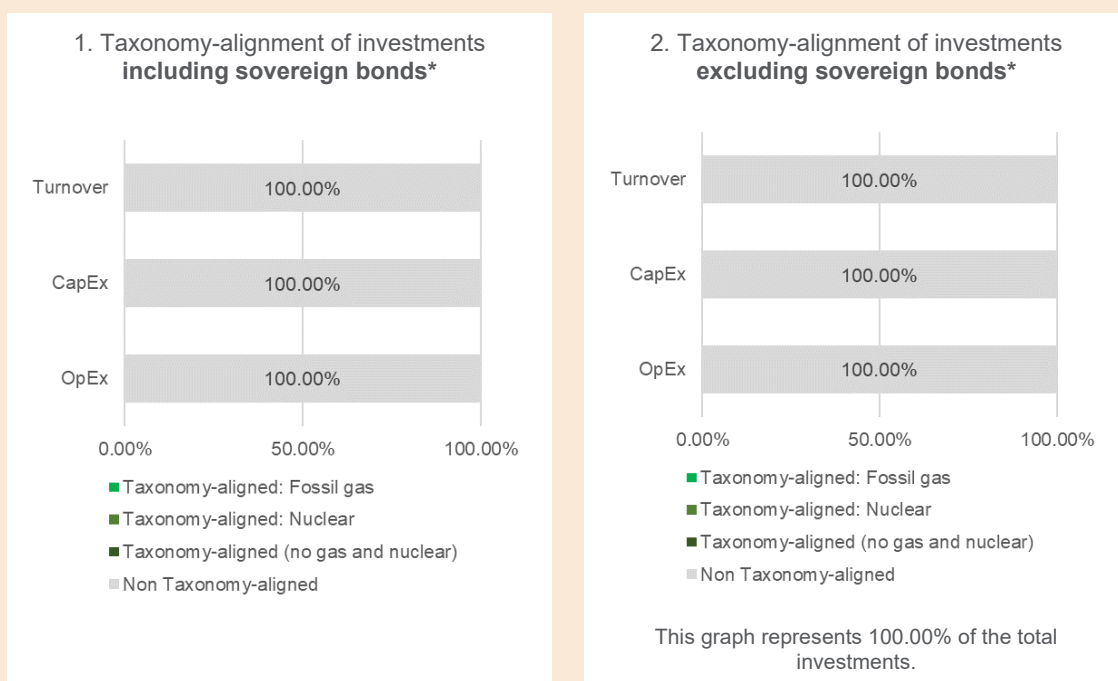


## To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?<sup>1</sup>

- Yes
- In fossil gas  In nuclear energy
- No

The graphs below show in green the percentage of investments that were 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.



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

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

● **What was the share of investments made in transitional and enabling activities?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, nor on the transitional and enabling activities, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Year	% EU Taxonomy Aligned
2023	0.00%
2022	0.00%

● **What is the breakdown of the proportion of the investments per each of the EU Taxonomy to which those investments contributed?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy

Therefore, this percentage is considered as nul.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

● **What was the share of sustainable investments with an environmental objective not aligned with the EU taxonomy?**

The Sub-Fund had a share of 30.76% in sustainable investments on the environmental plan not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2023 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

● **What was the share of socially sustainable investments?**

The Sub-fund had a share of investments with a social objective of 64.58%

● **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments included under "Other" are present in the Sub-fund for 4.45% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions or being the result of the decision of market exposure of the Sub-Fund;
- Investments with issuers with E/S characteristics at the moment of the investment and are not fully aligned anymore with the Candriam investment with E/S criteria. These investments have been sold during the period or considered as other investments;
- Other investments (including single name derivatives) purchased for diversification purposes, which do not meet environmental or social characteristics or which may not be subject to an ESG screening or for which ESG data was not available. These investments have respected the good governance;
- Non single name derivatives used for exposition and hedging purposes.



**What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

The financial product aims to achieve a carbon footprint that is lower than the Benchmark.

Over the reference period, the financial product emitted 20.67 Tons CO2eq per million € invested, 72.86% lower than the benchmark.

Compared to the previous year, the financial product's carbon footprint has decreased by 23.65%.

The financial product has achieved its objective by favouring issuers with lower carbon footprint.

The financial product aims to achieve an ESG score, based on Candriam's proprietary ESG methodology, higher than its benchmark.

Over the reference period, the financial product displayed an ESG score of 59.31, 10.51% higher compared to its benchmark.

The financial product has achieved its objective by selectively favouring issuers that display a stronger ESG profile. The financial product invested in 1 issuer(s) in Specialty Chemicals with improving ESG profiles.



## How did this financial product perform compared to the reference benchmark?

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

No index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund

## Environmental and/or social characteristics

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

YES

- It made **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 made **sustainable investments with a social objective**: \_\_\_%

NO

- It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 72.87% 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 promoted E/S characteristics, but **did 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



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The environmental and social characteristics promoted by the Sub-fund have been achieved by:

- avoiding exposure to companies that present structural risks that are both material and severe and are most seriously in breach of normative principles taking into account practices in environmental and social issues as well as compliance with standards such as the United Nations Global Compact and the 'OECD Guidelines for Business standards.
- avoiding exposure to companies that are significantly exposed to controversial activities such extraction, transportation or distribution of thermal coal, the manufacturing or retailing of Tobacco and production or sale of controversial weapons (anti-personnel mines, cluster bombs, chemical, biological, phosphorus weapons white and depleted uranium.
- integrating Candriam's ESG research methodology into the investment process and investing a proportion of its assets in Sustainable Investments.

### How did the sustainability indicators perform?

For the selection of sustainable investments, the portfolio manager has taken into account ESG assessments of issuers, produced by Candriam's ESG analyst team.

For companies, these assessments are based on the analysis of the company's interactions with its key stakeholders and the analysis of its business activities and their impact, positive or negative, on key sustainability challenges such as climate change and resource depletion. In addition, Candriam's ESG analysis includes exclusion filters based on compliance with international standards and involvement in controversial activities.

Candriam's ESG research and analysis for sustainable investments also assesses the compliance of investments with the "do no harm" principle to a sustainable investment objective and with good governance practices.

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 20%). The proportion of sustainable investments in the Fund

was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

Sustainability KPI Name	Portfolio	Benchmark	New indicator
Carbon Footprint - Corporate - Scope 1&2 - Lower than bench	20.20	47.39	

● **... And compared to previous periods?**

The sub-fund has also been managed in line with its sustainability indicators.

Sustainability KPI Name	Year	Portfolio	Benchmark
Carbon Footprint - Corporate - Scope 1&2 - Lower than bench	2022	30.40	51.74

The asset allocation of the financial product has evolved over the years.

Investment Category	Proportion of Investments	Proportion of Investments
	2023	2022
#1 Aligned with E/S characteristics	93.79%	92.88%
#2 Other	6.21%	7.12%
#1A Sustainable	72.87%	71.53%
#1B Other E/S characteristics	20.92%	21.35%
Taxonomy-aligned	0.00%	0.00%
Other environmental	24.24%	23.77%
Social	48.63%	47.76%



## ● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objective?**

The sustainable investments which the Sub-fund intended to achieve for a portion of the portfolio were to contribute to the reduction of greenhouse gas emissions by means of exclusions and the use of climate indicators in the analysis of companies, and to have a positive impact on environment and social domains in the long-term.

The proportion of sustainable investments was higher than the minimum defined in the prospectus (minimum 20%). It allowed the Sub-fund to exceed the objectives initially set.

However, the Sub-fund is not able to publish a percentage of alignment with the Taxonomy since a small number of companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

## ● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Candriam ensured that those investments have not cause significant harm to any environmental and/or social sustainable investment objective by means of its ESG research and analysis of corporate issuers.

Based on its proprietary ESG Ratings and Scorings, Candriam's ESG methodology sets criteria and minimum thresholds to identify those issuers that qualify as 'sustainable investment' and, in particular, have not cause significant harm to any environmental and/or social sustainable investment objective.

The 'Do not significant harm' principle, in particular, was assessed for corporates through:

- the consideration of "principal adverse impacts"
- the alignment with the OECD Guidelines for Multinational Enterprises and the UN Global Compact to ensure minimum environmental & social safeguards.

For more details, refer to the section below on the consideration of principal adverse impacts on sustainability factors.

### ***How were the indicators for adverse impacts on sustainability factors taken into account?***

The consideration of adverse impacts is central to Candriam's sustainable investment approach. Principal adverse impacts were taken into account throughout the entire ESG research and analysis process and through a wide range of methods:

1. ESG rating of corporates: the ESG research and screening methodology considers and assesses the principal adverse impact on sustainability from two distinct, but interlinked, angles:

- the company's issuers' business activities and how they impact, either positively or negatively, key sustainable challenges such as climate change and resource depletion;
- company's interactions with key stakeholders.

2. Negative screening of companies, which includes a norms-based exclusion and an exclusion of companies involved in controversial activities.

3. Engagement activities with companies, through dialogue and voting activities, which contribute to avoiding or reducing the extent of the adverse impacts. The ESG analysis framework and its results feed our engagement process, and vice versa.

The integration of the principal adverse impacts on sustainability factors has been based on the materiality or likely materiality of each indicator for each specific industry / sector to which the company belongs. The materiality is dependent on several factors, such as: type of information, data quality and breadth, applicability, relevance, and geographical coverage.

### ***Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

The sustainable investments of the Sub-fund have been compliant with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights.

They are subject to a norms-based controversy analysis that considers the compliance with the international social, human, environmental and anti-corruption standards, as defined by the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises. The International Labour Organisation and International Bill of Human Rights are part of the many international references integrated into our norms-based analysis and ESG model.

This analysis aimed to exclude companies that have significantly and repeatedly breached any of these principles.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union 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.*

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

At Financial Product level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means: voting, dialogue, exclusions and/or monitoring (cfr. Candriam's PAI statement: <https://www.candriam.com/en/private/sfdri/>)

### ENGAGEMENT

Our engagement and voting policies are available on Candriam website [\[https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities\]](https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities).

### VOTING

The Candriam's approach to Corporate Governance relies on internationally-recognized standards.

Candriam has exercised voting rights when available on positions of the portfolio. Shareholders' rights, equality of shareholders, board accountability, transparency and integrity of financial statements are core pillars of our voting policy. When exercising our votes we pay a particular attention to the respect of pay-for-performance principle and to the board's independence level, diversity (PAI13) and expertise level.

In the context of Candriam's voting policy, specific guidelines are applied for a range of environmental- (e.g. climate (PAI1 to PAI6), biodiversity (PAI7)), social- (e.g. diversity, gender pay gap (PAI12), human rights (PAI10 PAI11)) and governance- related management or shareholder resolutions.

Candriam has an active approach to voting, in line with the consideration of the principle adverse impacts. Resolutions and voting opportunities are analysed in detail. Candriam always considers the relevance, consistence and feasibility of measures sponsored by any ESG resolution before casting vote. Thus, Candriam may vote against certain resolutions if they do not correspond to the principles defined in its voting policy or to the requirements relating to principle adverse impacts.

This year, we voted at 66 meetings: for 95.45 % of them we cast at least once against management.

With respect to environmental or social related resolutions, management submitted 4 of which we supported 100 %.

In addition, and for any voted director-election items (640 resolutions), we took into consideration Board Gender diversity aspects (PAI13).

In total 154 resolutions were filed by shareholders and we supported 77.27 % of them.

More specifically 48 were Human Rights, Climate or Diversity & Inclusion related: we supported 93.75 % of them.

For more detailed information about Candriam Voting policy evolution, votes and associated rationales, please refer to our voting dashboard [\[https://vds.issgovernance.com/vds/#/NDA0Nw==/\]](https://vds.issgovernance.com/vds/#/NDA0Nw==/)

### DIALOGUE with corporate issuers

This financial product is invested in corporate issuers. Below statistics refer to engagement activities we have performed with these corporate issuers.

Climate (PAI1 to PAI6) is obviously central in our exchanges with companies. Priorities of Climate-engagement on the corporate side are identified taking into account :

- issuers presenting a weak transition profile (proprietary risk transition model), and/or still highly carbon intensive (Scope 1-2) or with large Scope 3 emissions
- issuers from financial sectors still largely exposed to fossil fuel and with a key role in financing the transition
- relative exposure of managed portfolios to the above issuers.

Candriam has joined in November 2021 the Net Zero Asset Management Initiative [\[https://www.netzeroassetmanagers.org/signatories/candriam/\]](https://www.netzeroassetmanagers.org/signatories/candriam/). Through engagement, our objective is to encourage companies to publicly report on how they align with a 1.5D trajectory and to encourage such an alignment. We expect issuers in particular to explain how their strategy and capital expenditures plan serve their decarbonisation commitment. We usually combine individual and collaborative dialogue.

4 issuers in the financial product are actually part of the priority targets of Candriam Net Zero Engagement campaign.

In addition, we continue to actively support CDP Climate [\[https://www.cdp.net/en\]](https://www.cdp.net/en), a large transparency survey feeding our investment processes : out of the 67 financial product's issuers targeted, 97.01% have properly filled the last survey. Filled surveys give us access to updated and more accurate Scope 1-2-3 emissions' data.

Candriam also actively participate to several collaborative initiatives such as Climate Action 100+ or IIGCC & ShareAction Climate initiatives on Financials. Such initiatives targeted 11 issuer(s) of the financial product. These initiatives contribute not only to increase the level of transparency on Greenhouse gas emissions and related strategy, but also to gain fundamental leverage for supporting strategic changes. Outcomes of these engagements are detailed in our annual engagement & voting report, available on our public website (Publications | Candriam) [\[https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications\]](https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications).

Given the geopolitical context and observed increase in inequalities, 55 issuer(s) with presence in the financial product have also been contacted in relation to the protection of fundamental human rights at direct or indirect workforce level (supply chain due diligence) (PAI10 PAI11).

Inclusion is not to be outdone, with 57 issuers, of the portfolio having been more specifically engaged on topics related to PAI 12 (Unadjusted gender pay gap) or PAI 13 (Board gender diversity).

While above mentioned PAI are prevalent when considering engagement performed for this financial product in 2023, other PAI such as biodiversity-related ones may also have been addressed in our dialogues with issuers. For more information, please refer to Candriam Engagement Annual review under Candriam website [\[https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities\]](https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities).

### EXCLUSIONS

#### PAI10

In accordance with PAI10 Candriam's normative analysis determines whether a company complies with the 10 principles of the United Nations Global Compact for each of the main categories: Human Rights (HR), Labor Rights (LR), Environment (ENV) and Anti-Corruption (AC). Our norms based analysis incorporates various international references, including the United Nations Declaration of Human Rights, ILO Fundamental Conventions, and OECD Guidelines for Multinational Enterprises, ensuring comprehensive coverage of human rights, labor standards, corruption, and discrimination.

In Candriam's "Level 1" company exclusion policy, companies that have committed the most serious violations of the UN Global Compact principles are excluded. This list focuses on a strict interpretation of violations of the UN Global Compact, as assessed by Candriam's ESG analysts.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, for significant and repeated breaches of international social, human, environmental and anti-corruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

**PAI14**

Candriam is firmly committed to excluding from all its investments companies directly involved in the development, production, testing, maintenance and sale of controversial weapons (anti-personnel landmines, cluster bombs, depleted uranium weapons and armor, chemical weapons, biological weapons and white phosphorus weapons). We consider these damaging activities to present systemic and reputational risks.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, due to their involvement in these activities.

**MONITORING:** calculation and evaluation of the principal adverse impact indicators

Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Financial Product. See below the results of the indicators of this Financial Product

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
2 - Carbon Footprint	20.20	93.59%	93.79%
3 - GHG intensity of investee companies	86.48	93.59%	93.79%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	93.79%	93.79%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	93.79%	93.79%



## What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: 01/01/2023 - 31/12/2023.

Largest investments	Sector	% of Assets	Country
MICROSOFT CORP	Internet and internet services	6.30%	USA
APPLE INC	Office supplies and computing	5.97%	USA
ALPHABET INC -A-	Internet and internet services	3.75%	USA
UNITEDHEALTH GROUP INC	Healthcare	2.44%	USA
VISA INC -A-	Internet and internet services	2.05%	USA
NESTLE SA PREFERENTIAL SHARE	Foods and non alcoholic drinks	1.95%	CHE
WASTE MANAGEMENT	Environmental services and recycling	1.82%	USA
CONSOLIDATED EDISON INC	Utilities	1.78%	USA
JOHNSON & JOHNSON	Pharmaceuticals	1.78%	USA
LVMH MOET HENNESSY LOUIS VUITTON SE	Miscellaneous services	1.77%	FRA
JPMORGAN CHASE CO	Banks and other financial institutions	1.73%	USA
MASTERCARD INC -A-	Banks and other financial institutions	1.69%	USA
ABBOTT LABORATORIES	Pharmaceuticals	1.56%	USA
MERCK & CO INC	Pharmaceuticals	1.54%	USA
BROADCOM INC - REGISTERED SHS	Office supplies and computing	1.53%	USA

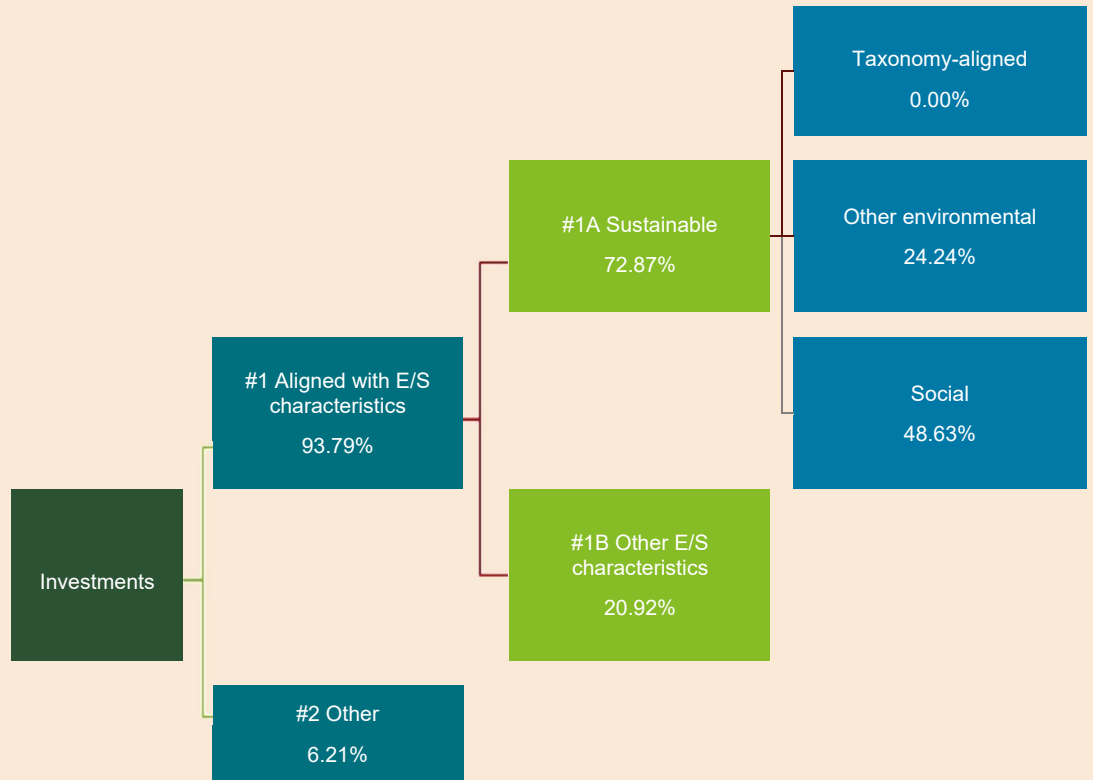
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## What was the proportion of sustainability-related investments?

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

### ● What was the asset allocation?



**#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 environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● **In which economic sectors were the investments made?**

<b>Top sector</b>	<b>% of Assets</b>
Banks and other financial institutions	17.04%
Internet and internet services	13.49%
Pharmaceuticals	9.31%
Office supplies and computing	8.05%
Electronics and semiconductors	7.12%
Foods and non alcoholic drinks	5.88%
Machine and apparatus construction	4.73%
Retail trade and department stores	3.57%
Insurance	3.38%
Graphic art and publishing	3.23%
Utilities	3.21%
Hotels and restaurants	2.69%
Healthcare	2.44%
Miscellaneous services	2.10%
Tobacco and alcoholic drinks	1.91%

*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**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.

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 the green operational activities of investee companies.

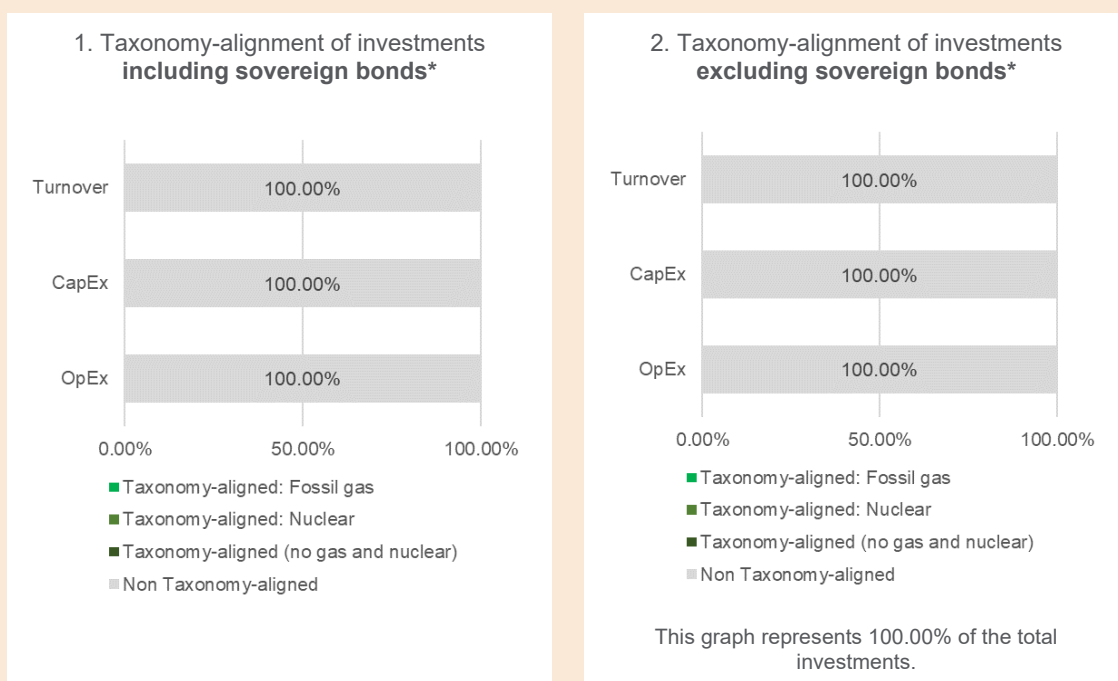


## To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?<sup>1</sup>

- Yes
- In fossil gas  In nuclear energy
- No

The graphs below show in green the percentage of investments that were 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.



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

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



● **What was the share of investments made in transitional and enabling activities?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, nor on the transitional and enabling activities, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Year	% EU Taxonomy Aligned
2023	0.00%
2022	0.00%

● **What is the breakdown of the proportion of the investments per each of the EU Taxonomy to which those investments contributed?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy

Therefore, this percentage is considered as nul.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

● **What was the share of sustainable investments with an environmental objective not aligned with the EU taxonomy?**

The Sub-Fund had a share of 24.24% in sustainable investments on the environmental plan not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2023 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

● **What was the share of socially sustainable investments?**

The Sub-fund had a share of investments with a social objective of 48.63%

● **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments included under "Other" are present in the Sub-fund for 6.21% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions or being the result of the decision of market exposure of the Sub-Fund;
- Investments with issuers with E/S characteristics at the moment of the investment and are not fully aligned anymore with the Candriam investment with E/S criteria. These investments have been sold during the period or considered as other investments;
- Other investments (including single name derivatives) purchased for diversification purposes, which do not meet environmental or social characteristics or which may not be subject to an ESG screening or for which ESG data was not available. These investments have respected the good governance;
- Non single name derivatives used for exposition and hedging purposes.

➔ **What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

The financial product aims to achieve a carbon footprint that is lower than the Benchmark.

Over the reference period, the financial product emitted 20.2 Tons CO2eq per million € invested, 57.38% lower than the benchmark.

Compared to the previous year, the financial product's carbon footprint has decreased by 33.55%.

The financial product has achieved its objective by favouring issuers with lower carbon footprint. More precisely, the financial product invested in 2 issuer(s) in Multi-Utilities and Oil & Gas Equipment & Services with improving carbon footprint.



## How did this financial product perform compared to the reference benchmark?

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

No index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund

## Environmental and/or social characteristics

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

YES

- It made **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 made **sustainable investments with a social objective**: \_\_\_%

NO

- It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 86.42% 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 promoted E/S characteristics, but **did 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



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The environmental and social characteristics promoted by the Sub-fund have been achieved by:

- avoiding exposure to companies that present structural risks that are both material and severe and are most seriously in breach of normative principles taking into account practices in environmental and social issues as well as compliance with standards such as the United Nations Global Compact and the 'OECD Guidelines for Business standards.
- avoiding exposure to companies that are significantly exposed to controversial activities such extraction, transportation or distribution of thermal coal, the manufacturing or retailing of Tobacco and production or sale of controversial weapons (anti-personnel mines, cluster bombs, chemical, biological, phosphorus weapons white and depleted uranium.
- integrating Candriam's ESG research methodology into the investment process and investing a proportion of its assets in Sustainable Investments.

### How did the sustainability indicators perform?

For the selection of sustainable investments, the portfolio manager has taken into account ESG assessments of issuers, produced by Candriam's ESG analyst team.

For companies, these assessments are based on the analysis of the company's interactions with its key stakeholders and the analysis of its business activities and their impact, positive or negative, on key sustainability challenges such as climate change and resource depletion. In addition, Candriam's ESG analysis includes exclusion filters based on compliance with international standards and involvement in controversial activities.

Candriam's ESG research and analysis for sustainable investments also assesses the compliance of investments with the "do no harm" principle to a sustainable investment objective and with good governance practices.

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 33%). The proportion of sustainable investments in the Fund

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

was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

Sustainability KPI Name	Portfolio	Benchmark	New indicator
ESG Score - Corporate - Higher than bench	56.84	51.59	

● **... And compared to previous periods?**

The sub-fund has also been managed in line with its sustainability indicators.

Sustainability KPI Name	Year	Portfolio	Benchmark
ESG Score - Corporate - Higher than bench	2022	55.08	51.03

The asset allocation of the financial product has evolved over the years.

Investment Category	Proportion of Investments	Proportion of Investments
	2023	2022
#1 Aligned with E/S characteristics	96.99%	97.28%
#2 Other	3.01%	2.72%
#1A Sustainable	86.42%	86.89%
#1B Other E/S characteristics	10.57%	10.40%
Taxonomy-aligned	0.00%	0.00%
Other environmental	3.63%	3.86%
Social	82.79%	83.03%

## ● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objective?**

The sustainable investments which the Sub-fund intended to achieve for a portion of the portfolio were to have a positive impact on environment and social domains in the long-term.

The proportion of sustainable investments was higher than the minimum defined in the prospectus (minimum 33%). It allowed the Sub-fund to exceed the objectives initially set.

However, the Sub-fund is not able to publish a percentage of alignment with the Taxonomy since a small number of companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

## ● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Candriam ensured that those investments have not cause significant harm to any environmental and/or social sustainable investment objective by means of its ESG research and analysis of corporate issuers.

Based on its proprietary ESG Ratings and Scorings, Candriam's ESG methodology sets criteria and minimum thresholds to identify those issuers that qualify as 'sustainable investment' and, in particular, have not cause significant harm to any environmental and/or social sustainable investment objective.

The 'Do not significant harm' principle, in particular, was assessed for corporates through:

- the consideration of "principal adverse impacts"
- the alignment with the OECD Guidelines for Multinational Enterprises and the UN Global Compact to ensure minimum environmental & social safeguards.

For more details, refer to the section below on the consideration of principal adverse impacts on sustainability factors.

### ***How were the indicators for adverse impacts on sustainability factors taken into account?***

The consideration of adverse impacts is central to Candriam's sustainable investment approach. Principal adverse impacts were taken into account throughout the entire ESG research and analysis process and through a wide range of methods:

1. ESG rating of corporates: the ESG research and screening methodology considers and assesses the principal adverse impact on sustainability from two distinct, but interlinked, angles:

- the company's issuers' business activities and how they impact, either positively or negatively, key sustainable challenges such as climate change and resource depletion;
- company's interactions with key stakeholders.

2. Negative screening of companies, which includes a norms-based exclusion and an exclusion of companies involved in controversial activities.

3. Engagement activities with companies, through dialogue and voting activities, which contribute to avoiding or reducing the extent of the adverse impacts. The ESG analysis framework and its results feed our engagement process, and vice versa.

The integration of the principal adverse impacts on sustainability factors has been based on the materiality or likely materiality of each indicator for each specific industry / sector to which the company belongs. The materiality is dependent on several factors, such as: type of information, data quality and breadth, applicability, relevance, and geographical coverage.

### ***Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

The sustainable investments of the Sub-fund have been compliant with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights.

They are subject to a norms-based controversy analysis that considers the compliance with the international social, human, environmental and anti-corruption standards, as defined by the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises. The International Labour Organisation and International Bill of Human Rights are part of the many international references integrated into our norms-based analysis and ESG model.

This analysis aimed to exclude companies that have significantly and repeatedly breached any of these principles.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union 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.*

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

At Financial Product level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means: voting, dialogue, exclusions and/or monitoring (cfr. Candriam's PAI statement: <https://www.candriam.com/en/private/sfdri/>)

### ENGAGEMENT

Our engagement and voting policies are available on Candriam website [\[https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities\]](https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities).

### VOTING

The Candriam's approach to Corporate Governance relies on internationally-recognized standards.

Candriam has exercised voting rights when available on positions of the portfolio. Shareholders' rights, equality of shareholders, board accountability, transparency and integrity of financial statements are core pillars of our voting policy. When exercising our votes we pay a particular attention to the respect of pay-for-performance principle and to the board's independence level, diversity (PAI13) and expertise level.

In the context of Candriam's voting policy, specific guidelines are applied for a range of environmental- (e.g. climate (PAI1 to PAI6), biodiversity (PAI7)), social- (e.g. diversity, gender pay gap (PAI12), human rights (PAI10 PAI11)) and governance- related management or shareholder resolutions. ,

Candriam has an active approach to voting, in line with the consideration of the principle adverse impacts. Resolutions and voting opportunities are analysed in detail. Candriam always considers the relevance, consistence and feasibility of measures sponsored by any ESG resolution before casting vote. Thus, Candriam may vote against certain resolutions if they do not correspond to the principles defined in its voting policy or to the requirements relating to principle adverse impacts.

This year, we voted at 110 meetings: for 91.82 % of them we cast at least once against management.

With respect to environmental or social related resolutions, management submitted 3 of which we supported 100 %.

In addition, and for any voted director-election items (701 resolutions), we took into consideration Board Gender diversity aspects (PAI13).

In total 67 resolutions were filed by shareholders and we supported 71.64 % of them.

More specifically 7 were Human Rights, Climate or Diversity & Inclusion related: we supported 85.71 % of them.

For more detailed information about Candriam Voting policy evolution, votes and associated rationales, please refer to our voting dashboard [\[https://vds.issgovernance.com/vds/#/NDA0Nw==/\]](https://vds.issgovernance.com/vds/#/NDA0Nw==/)

### DIALOGUE with corporate issuers

This financial product is invested in corporate issuers. Below statistics refer to engagement activities we have performed with these corporate issuers.

Climate (PAI1 to PAI6) is obviously central in our exchanges with companies. Priorities of Climate-engagement on the corporate side are identified taking into account :

- issuers presenting a weak transition profile (proprietary risk transition model), and/or still highly carbon intensive (Scope 1-2) or with large Scope 3 emissions
- issuers from financial sectors still largely exposed to fossil fuel and with a key role in financing the transition
- relative exposure of managed portfolios to the above issuers.

Candriam has joined in November 2021 the Net Zero Asset Management Initiative [\[https://www.netzeroassetmanagers.org/signatories/candriam/\]](https://www.netzeroassetmanagers.org/signatories/candriam/). Through engagement, our objective is to encourage companies to publicly report on how they align with a 1.5D trajectory and to encourage such an alignment. We expect issuers in particular to explain how their strategy and capital expenditures plan serve their decarbonisation commitment. We usually combine individual and collaborative dialogue.

In addition, we continue to actively support CDP Climate [\[https://www.cdp.net/en\]](https://www.cdp.net/en), a large transparency survey feeding our investment processes : out of the 76 financial product's issuers targeted, 78.95% have properly filled the last survey. Filled surveys give us access to updated and more accurate Scope 1-2-3 emissions' data.

Candriam also actively participate to several collaborative initiatives such as Climate Action 100+ or IIGCC & ShareAction Climate initiatives on Financials. These initiatives contribute not only to increase the level of transparency on Greenhouse gas emissions and related strategy, but also to gain fundamental leverage for supporting strategic changes. Outcomes of these engagements are detailed in our annual engagement & voting report, available on our public website (Publications | Candriam) [\[https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications\]](https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications).

Given the geopolitical context and observed increase in inequalities, 65 issuer(s) with presence in the financial product have also been contacted in relation to the protection of fundamental human rights at direct or indirect workforce level (supply chain due diligence) (PAI10 PAI11).

Inclusion is not to be outdone, with 39 issuers, of the portfolio having been more specifically engaged on topics related to PAI 12 (Unadjusted gender pay gap) or PAI 13 (Board gender diversity).

While above mentioned PAI are prevalent when considering engagement performed for this financial product in 2023, other PAI such as biodiversity-related ones may also have been addressed in our dialogues with issuers. For more information, please refer to Candriam Engagement Annual review under Candriam website [\[https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities\]](https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities).

### EXCLUSIONS

#### PAI10

In accordance with PAI10 Candriam's normative analysis determines whether a company complies with the 10 principles of the United Nations Global Compact for each of the main categories: Human Rights (HR), Labor Rights (LR), Environment (ENV) and Anti-Corruption (AC). Our norms based analysis incorporates various international references, including the United Nations

Declaration of Human Rights, ILO Fundamental Conventions, and OECD Guidelines for Multinational Enterprises, ensuring comprehensive coverage of human rights, labor standards, corruption, and discrimination.

In Candriam's "Level 1" company exclusion policy, companies that have committed the most serious violations of the UN Global Compact principles are excluded. This list focuses on a strict interpretation of violations of the UN Global Compact, as assessed by Candriam's ESG analysts.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, for significant and repeated breaches of international social, human, environmental and anti-corruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

**PAI14**

Candriam is firmly committed to excluding from all its investments companies directly involved in the development, production, testing, maintenance and sale of controversial weapons (anti-personnel landmines, cluster bombs, depleted uranium weapons and armor, chemical weapons, biological weapons and white phosphorus weapons). We consider these damaging activities to present systemic and reputational risks.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, due to their involvement in these activities.

**MONITORING:** calculation and evaluation of the principal adverse impact indicators

Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Financial Product. See below the results of the indicators of this Financial Product

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
3 - GHG intensity of investee companies	20.76	97.13%	97.80%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	97.81%	97.80%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	97.81%	97.80%





## What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: 01/01/2023 - 31/12/2023.

Largest investments	Sector	% of Assets	Country
UNITEDHEALTH GROUP INC	Healthcare	7.00%	USA
ELI LILLY & CO	Biotechnology	4.40%	USA
MERCK & CO INC	Pharmaceuticals	3.83%	USA
JOHNSON & JOHNSON	Pharmaceuticals	3.59%	USA
THERMO FISHER SCIENT SHS	Electronics and semiconductors	3.49%	USA
MEDTRONIC HLD	Pharmaceuticals	3.40%	IRL
ROCHE HOLDING LTD	Pharmaceuticals	3.21%	CHE
DANAHER CORP	Machine and apparatus construction	3.01%	USA
BECTON DICKINSON	Pharmaceuticals	2.57%	USA
ABBVIE INC	Pharmaceuticals	2.28%	USA
BOSTON SCIENTIF CORP	Pharmaceuticals	2.22%	USA
ASTRAZENECA PLC	Pharmaceuticals	2.20%	GBR
NOVARTIS AG PREFERENTIAL SHARE	Pharmaceuticals	2.09%	CHE
NOVO NORDISK - BEARER AND/OR - REG SHS	Pharmaceuticals	2.00%	DNK
SANOFI	Pharmaceuticals	1.95%	FRA

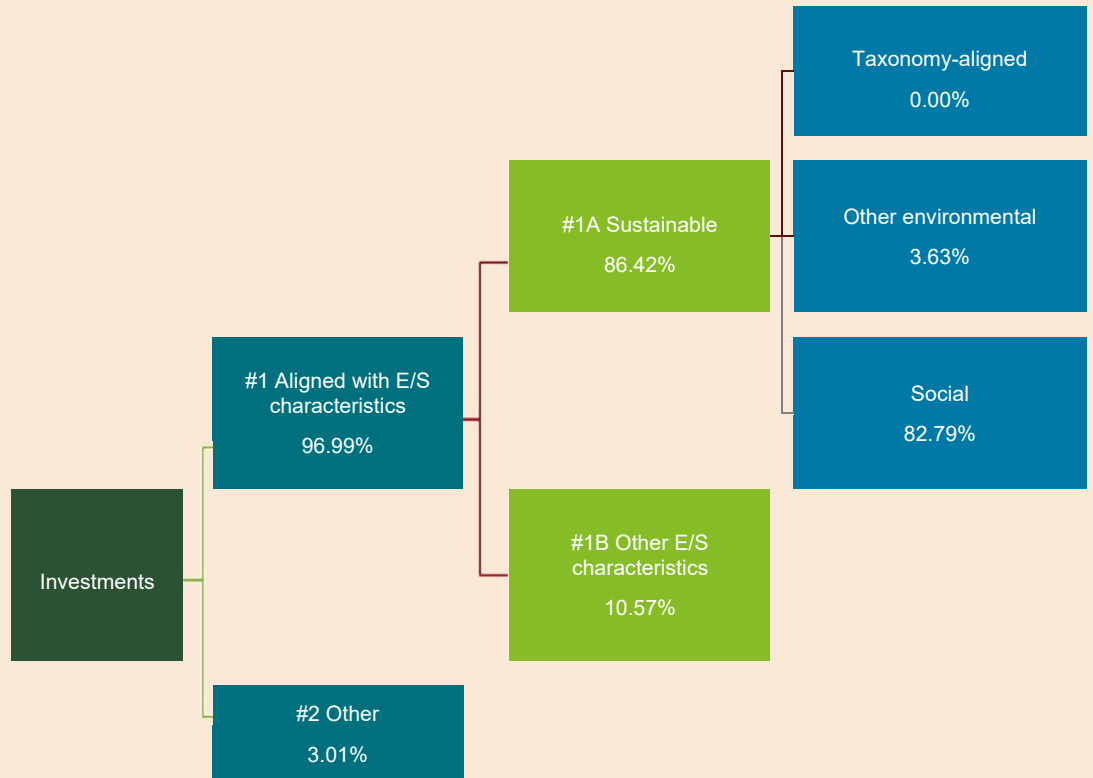
*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## What was the proportion of sustainability-related investments?

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

### ● What was the asset allocation?



**#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 environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● **In which economic sectors were the investments made?**

Top sector	% of Assets
Pharmaceuticals	62.60%
Healthcare	12.75%
Biotechnology	10.46%
Electronics and semiconductors	4.17%
Banks and other financial institutions	3.12%
Machine and apparatus construction	3.01%
Photographic and optics	1.44%
Miscellaneous services	0.91%
Internet and internet services	0.79%
Chemicals	0.74%
Non Classifiable Institutions	0.00%

*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**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.

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 the green operational activities of investee companies.

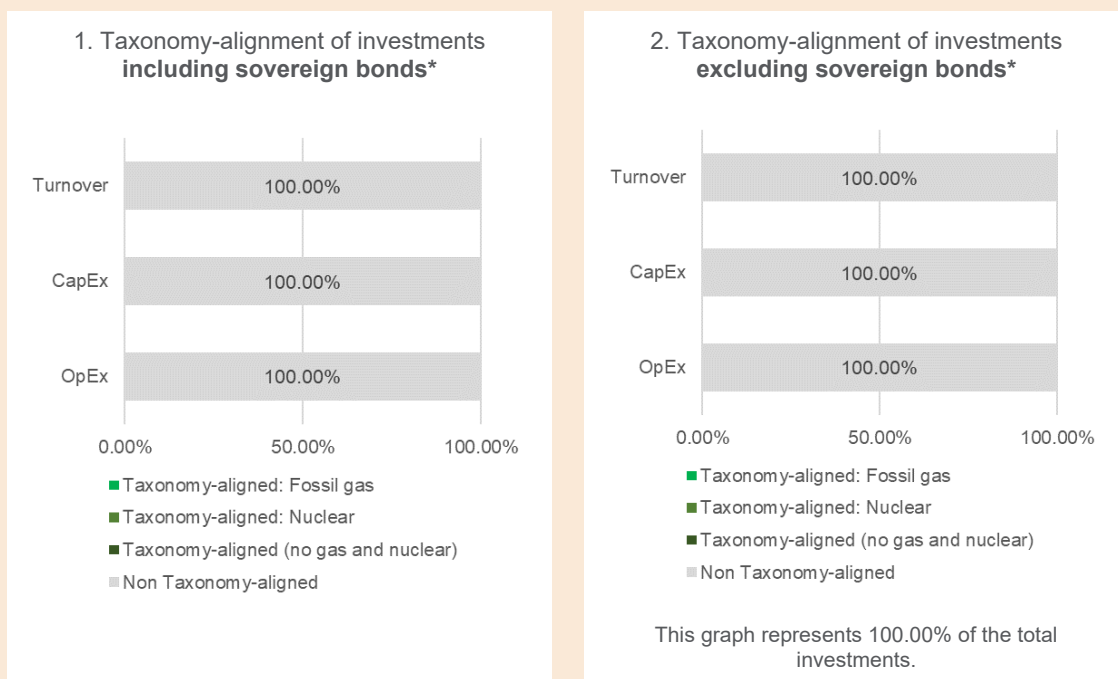


## To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?<sup>1</sup>

- Yes
- In fossil gas  In nuclear energy
- No

The graphs below show in green the percentage of investments that were 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.



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

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

● **What was the share of investments made in transitional and enabling activities?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, nor on the transitional and enabling activities, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Year	% EU Taxonomy Aligned
2023	0.00%
2022	0.00%

● **What is the breakdown of the proportion of the investments per each of the EU Taxonomy to which those investments contributed?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy

Therefore, this percentage is considered as nul.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

● **What was the share of sustainable investments with an environmental objective not aligned with the EU taxonomy?**

The Sub-Fund had a share of 3.63% in sustainable investments on the environmental plan not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2023 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

● **What was the share of socially sustainable investments?**

The Sub-fund had a share of investments with a social objective of 82.79%

● **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments included under "Other" are present in the Sub-fund for 3.01% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions or being the result of the decision of market exposure of the Sub-Fund;
- Investments with issuers with E/S characteristics at the moment of the investment and are not fully aligned anymore with the Candriam investment with E/S criteria. These investments have been sold during the period or considered as other investments;
- Other investments (including single name derivatives) purchased for diversification purposes, which do not meet environmental or social characteristics or which may not be subject to an ESG screening or for which ESG data was not available. These investments have respected the good governance;
- Non single name derivatives used for exposition and hedging purposes.



**What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

The financial product aims to achieve an ESG score, based on Candriam's proprietary ESG methodology, higher than its benchmark.

Over the reference period, the financial product displayed an ESG score of 56.84, 10.18% higher compared to its benchmark.

In comparison to the previous year, the financial product overall ESG score is higher by 3.19%.

The financial product has achieved its objective by selectively favouring issuers that display a stronger ESG profile. The financial product invested in 3 issuer(s) in Health Care Technology and Pharmaceuticals with improving ESG profiles.



## How did this financial product perform compared to the reference benchmark?

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

No index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund

## Environmental and/or social characteristics

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

YES

- It made **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 made **sustainable investments with a social objective**: \_\_\_%

NO

- It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 79.59% 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 promoted E/S characteristics, but **did 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



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The environmental and social characteristics promoted by the Sub-fund have been achieved by:

- avoiding exposure to companies that present structural risks that are both material and severe and are most seriously in breach of normative principles taking into account practices in environmental and social issues as well as compliance with standards such as the United Nations Global Compact and the 'OECD Guidelines for Business standards.
- avoiding exposure to companies that are significantly exposed to controversial activities such extraction, transportation or distribution of thermal coal, the manufacturing or retailing of Tobacco and production or sale of controversial weapons (anti-personnel mines, cluster bombs, chemical, biological, phosphorus weapons white and depleted uranium.
- integrating Candriam's ESG research methodology into the investment process and investing a proportion of its assets in Sustainable Investments.

### How did the sustainability indicators perform?

For the selection of sustainable investments, the portfolio manager has taken into account ESG assessments of issuers, produced by Candriam's ESG analyst team.

For companies, these assessments are based on the analysis of the company's interactions with its key stakeholders and the analysis of its business activities and their impact, positive or negative, on key sustainability challenges such as climate change and resource depletion. In addition, Candriam's ESG analysis includes exclusion filters based on compliance with international standards and involvement in controversial activities.

Candriam's ESG research and analysis for sustainable investments also assesses the compliance of investments with the "do no harm" principle to a sustainable investment objective and with good governance practices.

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 20%). The proportion of sustainable investments in the Fund

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

was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

Sustainability KPI Name	Portfolio	Benchmark	New indicator
Carbon Footprint - Corporate - Scope 1&2 - Lower than bench	8.14	60.19	

● **... And compared to previous periods?**

The sub-fund has also been managed in line with its sustainability indicators.

Sustainability KPI Name	Year	Portfolio	Benchmark
Carbon Footprint - Corporate - Scope 1&2 - Lower than bench	2022	8.15	64.55

The asset allocation of the financial product has evolved over the years.

Investment Category	Proportion of Investments	Proportion of Investments
	2023	2022
#1 Aligned with E/S characteristics	93.83%	91.81%
#2 Other	6.17%	8.19%
#1A Sustainable	79.59%	81.29%
#1B Other E/S characteristics	14.23%	10.52%
Taxonomy-aligned	0.00%	0.00%
Other environmental	21.76%	21.68%
Social	57.84%	59.60%



## ● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objective?**

The sustainable investments which the Sub-fund intended to achieve for a portion of the portfolio were to contribute to the reduction of greenhouse gas emissions by means of exclusions and the use of climate indicators in the analysis of companies, and to have a positive impact on environment and social domains in the long-term.

The proportion of sustainable investments was higher than the minimum defined in the prospectus (minimum 20%). It allowed the Sub-fund to exceed the objectives initially set.

However, the Sub-fund is not able to publish a percentage of alignment with the Taxonomy since a small number of companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

## ● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Candriam ensured that those investments have not cause significant harm to any environmental and/or social sustainable investment objective by means of its ESG research and analysis of corporate issuers.

Based on its proprietary ESG Ratings and Scorings, Candriam's ESG methodology sets criteria and minimum thresholds to identify those issuers that qualify as 'sustainable investment' and, in particular, have not cause significant harm to any environmental and/or social sustainable investment objective.

The 'Do not significant harm' principle, in particular, was assessed for corporates through:

- the consideration of "principal adverse impacts"
- the alignment with the OECD Guidelines for Multinational Enterprises and the UN Global Compact to ensure minimum environmental & social safeguards.

For more details, refer to the section below on the consideration of principal adverse impacts on sustainability factors.

### ***How were the indicators for adverse impacts on sustainability factors taken into account?***

The consideration of adverse impacts is central to Candriam's sustainable investment approach. Principal adverse impacts were taken into account throughout the entire ESG research and analysis process and through a wide range of methods:

1. ESG rating of corporates: the ESG research and screening methodology considers and assesses the principal adverse impact on sustainability from two distinct, but interlinked, angles:

- the company's issuers' business activities and how they impact, either positively or negatively, key sustainable challenges such as climate change and resource depletion;
- company's interactions with key stakeholders.

2. Negative screening of companies, which includes a norms-based exclusion and an exclusion of companies involved in controversial activities.

3. Engagement activities with companies, through dialogue and voting activities, which contribute to avoiding or reducing the extent of the adverse impacts. The ESG analysis framework and its results feed our engagement process, and vice versa.

The integration of the principal adverse impacts on sustainability factors has been based on the materiality or likely materiality of each indicator for each specific industry / sector to which the company belongs. The materiality is dependent on several factors, such as: type of information, data quality and breadth, applicability, relevance, and geographical coverage.

### ***Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

The sustainable investments of the Sub-fund have been compliant with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights.

They are subject to a norms-based controversy analysis that considers the compliance with the international social, human, environmental and anti-corruption standards, as defined by the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises. The International Labour Organisation and International Bill of Human Rights are part of the many international references integrated into our norms-based analysis and ESG model.

This analysis aimed to exclude companies that have significantly and repeatedly breached any of these principles.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union 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.*

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

At Financial Product level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means: voting, dialogue, exclusions and/or monitoring (cfr. Candriam's PAI statement: <https://www.candriam.com/en/private/sfdri/>)

### ENGAGEMENT

Our engagement and voting policies are available on Candriam website [\[https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities\]](https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities).

### VOTING

The Candriam's approach to Corporate Governance relies on internationally-recognized standards.

Candriam has exercised voting rights when available on positions of the portfolio. Shareholders' rights, equality of shareholders, board accountability, transparency and integrity of financial statements are core pillars of our voting policy. When exercising our votes we pay a particular attention to the respect of pay-for-performance principle and to the board's independence level, diversity (PAI13) and expertise level.

In the context of Candriam's voting policy, specific guidelines are applied for a range of environmental- (e.g. climate (PAI1 to PAI6), biodiversity (PAI7)), social- (e.g. diversity, gender pay gap (PAI12), human rights (PAI10 PAI11)) and governance- related management or shareholder resolutions. ,

Candriam has an active approach to voting, in line with the consideration of the principle adverse impacts. Resolutions and voting opportunities are analysed in detail. Candriam always considers the relevance, consistence and feasibility of measures sponsored by any ESG resolution before casting vote. Thus, Candriam may vote against certain resolutions if they do not correspond to the principles defined in its voting policy or to the requirements relating to principle adverse impacts.

This year, we voted at 51 meetings: for 90.2 % of them we cast at least once against management.

In addition, and for any voted director-election items (351 resolutions), we took into consideration Board Gender diversity aspects (PAI13).

In total 53 resolutions were filed by shareholders and we supported 64.15 % of them.

More specifically 16 were Human Rights, Climate or Diversity & Inclusion related: we supported 87.5 % of them.

For more detailed information about Candriam Voting policy evolution, votes and associated rationales, please refer to our voting dashboard [\[https://vds.issgovernance.com/vds/#/NDA0Nw==/\]](https://vds.issgovernance.com/vds/#/NDA0Nw==/)

### DIALOGUE with corporate issuers

This financial product is invested in corporate issuers. Below statistics refer to engagement activities we have performed with these corporate issuers.

Climate (PAI1 to PAI6) is obviously central in our exchanges with companies. Priorities of Climate-engagement on the corporate side are identified taking into account :

- issuers presenting a weak transition profile (proprietary risk transition model), and/or still highly carbon intensive (Scope 1-2) or with large Scope 3 emissions
- issuers from financial sectors still largely exposed to fossil fuel and with a key role in financing the transition
- relative exposure of managed portfolios to the above issuers.

Candriam has joined in November 2021 the Net Zero Asset Management Initiative [\[https://www.netzeroassetmanagers.org/signatories/candriam/\]](https://www.netzeroassetmanagers.org/signatories/candriam/). Through engagement, our objective is to encourage companies to publicly report on how they align with a 1.5D trajectory and to encourage such an alignment. We expect issuers in particular to explain how their strategy and capital expenditures plan serve their decarbonisation commitment. We usually combine individual and collaborative dialogue.

1 issuers in the financial product are actually part of the priority targets of Candriam Net Zero Engagement campaign.

In addition, we continue to actively support CDP Climate [\[https://www.cdp.net/en\]](https://www.cdp.net/en), a large transparency survey feeding our investment processes : out of the 47 financial product's issuers targeted, 87.23% have properly filled the last survey. Filled surveys give us access to updated and more accurate Scope 1-2-3 emissions' data.

Candriam also actively participate to several collaborative initiatives such as Climate Action 100+ or IIGCC & ShareAction Climate initiatives on Financials. Such initiatives targeted 1 issuer(s) of the financial product. These initiatives contribute not only to increase the level of transparency on Greenhouse gas emissions and related strategy, but also to gain fundamental leverage for supporting strategic changes. Outcomes of these engagements are detailed in our annual engagement & voting report, available on our public website (Publications | Candriam) [\[https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications\]](https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications).

Given the geopolitical context and observed increase in inequalities, 29 issuer(s) with presence in the financial product have also been contacted in relation to the protection of fundamental human rights at direct or indirect workforce level (supply chain due diligence) (PAI10 PAI11).

Inclusion is not to be outdone, with 25 issuers, of the portfolio having been more specifically engaged on topics related to PAI 12 (Unadjusted gender pay gap) or PAI 13 (Board gender diversity).

While above mentioned PAI are prevalent when considering engagement performed for this financial product in 2023, other PAI such as biodiversity-related ones may also have been adressed in our dialogues with issuers. For more information, please refer to Candriam Engagement Annual review under Candriam website [\[https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities\]](https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities).

### EXCLUSIONS

#### PAI10

In accordance with PAI10 Candriam's normative analysis determines whether a company complies with the 10 principles of the United Nations Global Compact for each of the main categories: Human Rights (HR), Labor Rights (LR), Environment (ENV) and Anti-Corruption (AC). Our norms based analysis incorporates various international references, including the United Nations

Declaration of Human Rights, ILO Fundamental Conventions, and OECD Guidelines for Multinational Enterprises, ensuring comprehensive coverage of human rights, labor standards, corruption, and discrimination.

In Candriam's "Level 1" company exclusion policy, companies that have committed the most serious violations of the UN Global Compact principles are excluded. This list focuses on a strict interpretation of violations of the UN Global Compact, as assessed by Candriam's ESG analysts.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, for significant and repeated breaches of international social, human, environmental and anti-corruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

**PAI14**

Candriam is firmly committed to excluding from all its investments companies directly involved in the development, production, testing, maintenance and sale of controversial weapons (anti-personnel landmines, cluster bombs, depleted uranium weapons and armor, chemical weapons, biological weapons and white phosphorus weapons). We consider these damaging activities to present systemic and reputational risks.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, due to their involvement in these activities.

**MONITORING:** calculation and evaluation of the principal adverse impact indicators

Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Financial Product. See below the results of the indicators of this Financial Product

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
2 - Carbon Footprint	8.14	94.61%	94.61%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	94.61%	94.61%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	94.61%	94.61%



## What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: 01/01/2023 - 31/12/2023.

Largest investments	Sector	% of Assets	Country
ADVANCED MICRO DEVICES INC	Electronics and semiconductors	2.88%	USA
GENERAL ELECTRI	Electrical engineering	2.84%	USA
SIEMENS AG PREFERENTIAL SHARE	Electrical engineering	2.84%	DEU
MICROSOFT CORP	Internet and internet services	2.83%	USA
ADOBE INC	Internet and internet services	2.82%	USA
NVIDIA CORP	Electronics and semiconductors	2.82%	USA
QUALCOMM INC	Communication	2.82%	USA
ALPHABET INC -A-	Internet and internet services	2.81%	USA
APPLE INC	Office supplies and computing	2.81%	USA
TAIWAN SEMICONDUCTOR CO ADR (REPR 5 SHS)	Electronics and semiconductors	2.81%	USA
IBM CORP	Office supplies and computing	2.80%	USA
BROADCOM INC - REGISTERED SHS	Office supplies and computing	2.80%	USA
WALT DISNEY CO	Graphic art and publishing	2.80%	USA
SONY CORP	Electronics and semiconductors	2.78%	JPN
INTUITIVE SURGICAL	Pharmaceuticals	2.56%	USA

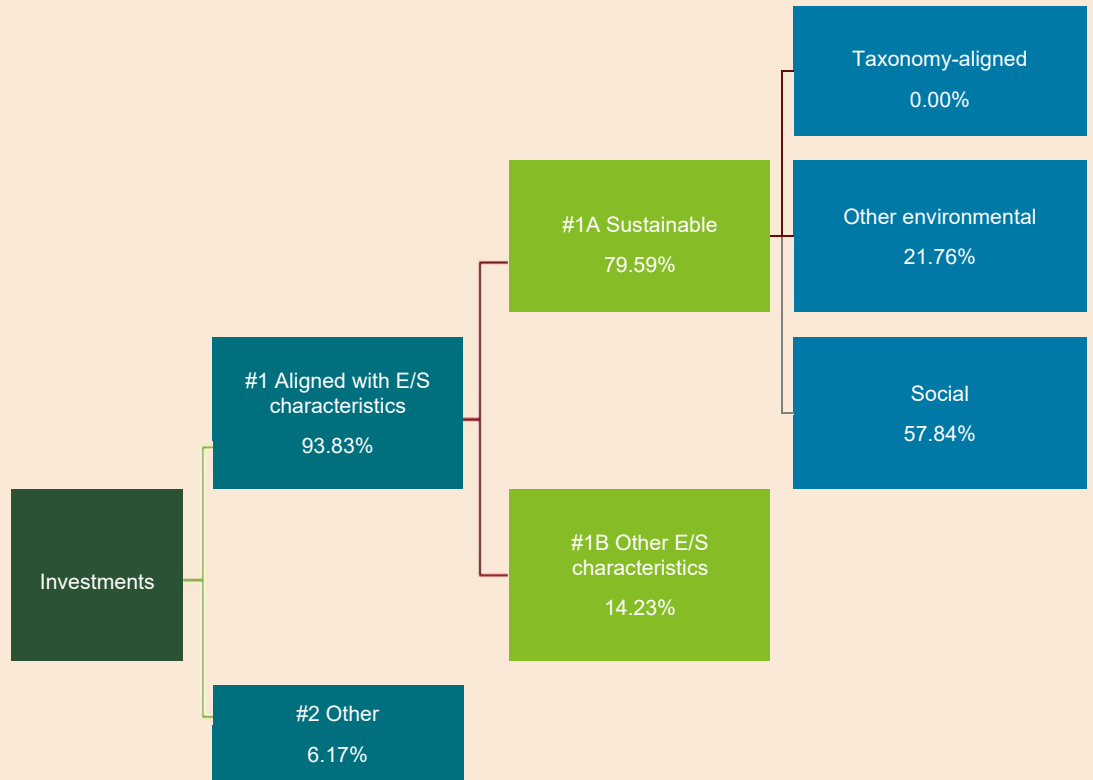
*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## What was the proportion of sustainability-related investments?

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

### ● What was the asset allocation?



**#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 environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● ***In which economic sectors were the investments made?***

<b>Top sector</b>	<b>% of Assets</b>
Internet and internet services	43.12%
Electronics and semiconductors	16.19%
Office supplies and computing	9.64%
Electrical engineering	8.18%
Banks and other financial institutions	5.37%
Communication	2.82%
Graphic art and publishing	2.80%
Pharmaceuticals	2.56%
Real estate	1.95%
Machine and apparatus construction	1.67%
Non Classifiable Institutions	1.64%
Hotels and restaurants	1.64%
Miscellaneous services	1.64%
Healthcare	0.78%

*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**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.

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 the green operational activities of investee companies.

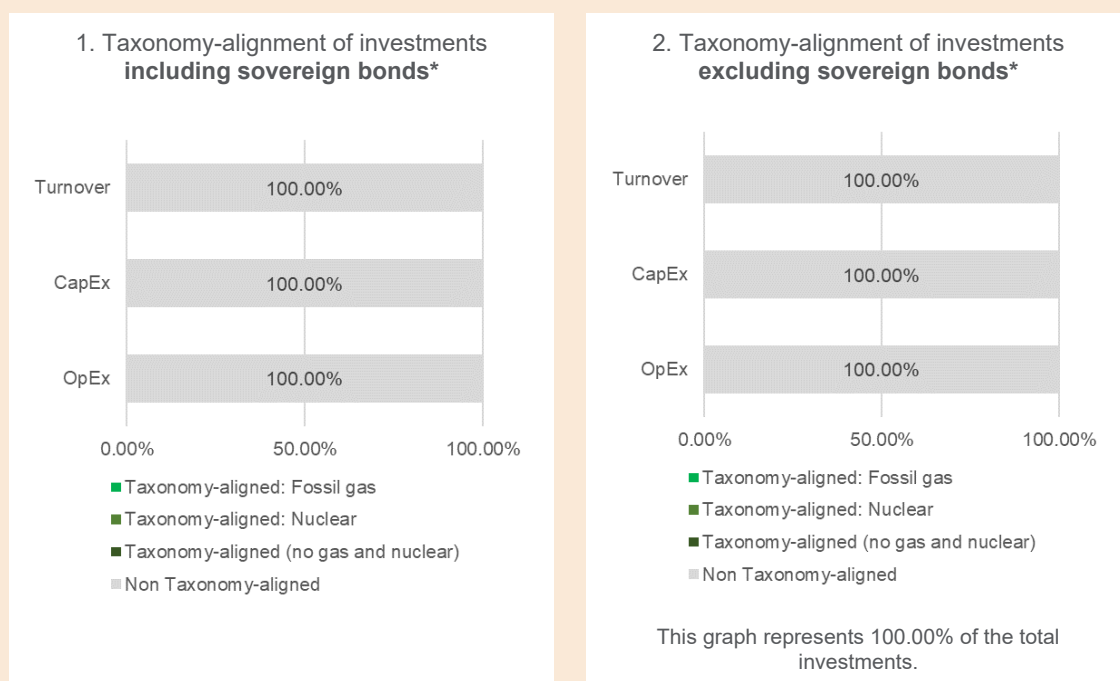


## To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?<sup>1</sup>

- Yes
- In fossil gas  In nuclear energy
- No

The graphs below show in green the percentage of investments that were 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.



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

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



● **What was the share of investments made in transitional and enabling activities?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, nor on the transitional and enabling activities, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Year	% EU Taxonomy Aligned
2023	0.00%
2022	0.00%

● **What is the breakdown of the proportion of the investments per each of the EU Taxonomy to which those investments contributed?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy

Therefore, this percentage is considered as nul.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

● **What was the share of sustainable investments with an environmental objective not aligned with the EU taxonomy?**

The Sub-Fund had a share of 21.76% in sustainable investments on the environmental plan not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2023 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

● **What was the share of socially sustainable investments?**

The Sub-fund had a share of investments with a social objective of 57.84%

● **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments included under "Other" are present in the Sub-fund for 6.17% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions or being the result of the decision of market exposure of the Sub-Fund;
- Investments with issuers with E/S characteristics at the moment of the investment and are not fully aligned anymore with the Candriam investment with E/S criteria. These investments have been sold during the period or considered as other investments;
- Other investments (including single name derivatives) purchased for diversification purposes, which do not meet environmental or social characteristics or which may not be subject to an ESG screening or for which ESG data was not available. These investments have respected the good governance;
- Non single name derivatives used for exposition and hedging purposes.



**What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

The financial product aims to achieve a carbon footprint that is lower than the Benchmark.

Over the reference period, the financial product emitted 8.14 Tons CO2eq per million € invested, 86.47% lower than the benchmark.

Compared to the previous year, the financial product's carbon footprint has remained stable.

The financial product has achieved its objective by favouring issuers with lower carbon footprint.



## How did this financial product perform compared to the reference benchmark?

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

No index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund

## Sustainable investment objective

**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.

Did this financial product have a sustainable investment objective?	
 <input checked="" type="checkbox"/> <b>YES</b>	 <input type="checkbox"/> <b>NO</b>
<input checked="" type="checkbox"/> It made <b>sustainable investments with an environmental objective: 0.00%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input checked="" type="checkbox"/> It made <b>sustainable investments with a social objective: 95.60%</b>	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investment <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



## To what extent was the sustainable investment objective of this financial product met?

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

The attainment of the sustainable objectives was measured through the following sustainability indicators:

- Research and development spending: better-than-benchmark research and development spending as a proportion of the company's market capitalisation.
- The level of education of management teams: better-than-benchmark percentage of senior executives holding a PhD.

Moreover, the following indicators were monitored:

- to assure that there are no investments in companies that are in violation with the OECD Guidelines for Multinational Enterprises or the UN Global Compact.
- to assure that there are no investments in companies that are on the Candriam's SRI Level 3 exclusion list as a result of the application of Candriam's Exclusion Policy.
- Number of holdings for which Candriam voted.
- to assure that eligible companies have an individual exposure to oncology-related activities and/or the fight against cancer of at least 10% in terms of income or capex or pipelines.

### ● How did the sustainability indicators perform?

The Sub-Fund has been managed in accordance with its sustainability indicators as defined below.

For the selection of sustainable investments, the portfolio manager has taken into account ESG assessments of issuers, produced by Candriam's ESG analyst team.

For companies, these assessments are based on the analysis of the company's interactions with its key stakeholders and the analysis of its business activities and their impact, positive or negative, on key sustainability challenges such as climate change and resource depletion. In addition, Candriam's ESG analysis includes exclusion filters based on compliance with international standards and involvement in controversial activities.

Candriam's ESG research and analysis for sustainable investments also assesses the compliance of investments with the "do no harm" principle to a sustainable investment objective and with good governance practices.

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 75%). The proportion of sustainable investments in the Fund was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

The Sub-Fund's reference benchmark has not been designated for the purpose of attaining the sustainable investment objective of the Sub-Fund.

The Sub-Fund's reference benchmark does not qualify as an EU Climate Transition Benchmark or an EU Paris-Aligned Benchmark under Title III, Chapter 3a, of Regulation (EU) 2016/1011.

Sustainability KPI Name	Portfolio	Benchmark	New indicator
PhD in Mgmt - Corporate - Higher than bench	23.56%	3.81%	
R&D Expense - Corporate - Higher than bench	2.86%	0.94%	

### ● ... And Compared to Previous Periods?

The sub-fund has also been managed in line with its sustainability indicators.

Sustainability KPI Name	Year	Portfolio	Benchmark
PhD in Mgmt - Corporate - Higher than bench	2022	23.73%	3.94%
R&D Expense - Corporate - Higher than bench	2022	3.11%	1.19%

The asset allocation of the financial product has evolved over the years.

Investment Category	Proportion of Investments	Proportion of Investments
	2023	2022
#1 Sustainable	95.60%	93.55%
#2 Not sustainable	4.40%	6.42%
Environmental	0.00%	0.00%
Social	95.60%	93.55%
Taxonomy-aligned	0.00%	0.00%
Other	0.00%	0.00%

**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 did the sustainable investments not cause significant harm to any sustainable investment objective?**

Candriam ensured that its sustainable investments did not cause significant harm to any environmental and/or social sustainable investment objective by means of its ESG research and analysis of corporate and sovereign issuers. Based on its proprietary ESG Ratings and Scorings, Candriam's ESG methodology set clear requirements and minimum thresholds to identify those issuers that qualify as 'sustainable investment' and, in particular, do not cause significant harm to any environmental and/or social sustainable investment objective.

The 'Do not significant harm' principle, in particular, was assessed for corporates through:

- the consideration of "principal adverse impacts"
- the alignment with the OECD Guidelines for Multinational Enterprises and the UN Global Compact to ensure minimum environmental & social safeguards.

For more details, refer to the section below on the consideration of principal adverse impacts on sustainability factors.

## **How were the indicators for adverse impacts on sustainability factors taken into account?**

The consideration of adverse impacts is central to Candriam's sustainable investment approach. Principal adverse impacts were taken into account throughout the entire ESG research and analysis process and through a wide range of methods:

1. ESG rating of corporates: the ESG research and screening methodology considers and assesses the principal adverse impact on sustainability from two distinct, but interlinked, angles:

- the company's issuers' business activities and how they impact, either positively or negatively, key sustainable challenges such as climate change and resource depletion;
- company's interactions with key stakeholders.

2. Negative screening of companies, which includes a norms-based exclusion and an exclusion of companies involved in controversial activities.

3. Engagement activities with companies, through dialogue and voting activities, which contribute to avoiding or reducing the extent of the adverse impacts. The ESG analysis framework and its results feed our engagement process, and vice versa.

The integration of the principal adverse impacts on sustainability factors has been based on the materiality or likely materiality of each indicator for each specific industry / sector to which the company belongs. The materiality is dependent on several factors, such as: type of information, data quality and breadth, applicability, relevance, and geographical coverage.

## **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

The Sub-fund's investments were subject to a norms-based controversy analysis that considered the compliance with the international social, human, environmental and anti-corruption standards, as defined by the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises. The International Labour Organisation and International Bill of Human Rights are part of the many international references integrated into our norms-based analysis and ESG model.

This analysis aimed to exclude companies that have significantly and repeatedly breached any of these principles.



## **How did this financial product consider principal adverse impacts on sustainability factors?**

At Financial Product level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means: voting, dialogue, exclusions and/or monitoring (cfr. Candriam's PAI statement: <https://www.candriam.com/en/private/sfdr/>)

### **ENGAGEMENT**

Our engagement and voting policies are available on Candriam website [\[https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities\]](https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities).

### **VOTING**

The Candriam's approach to Corporate Governance relies on internationally-recognized standards.

Candriam has exercised voting rights when available on positions of the portfolio. Shareholders' rights, equality of shareholders, board accountability, transparency and integrity of financial statements are core pillars of our voting policy. When exercising our votes we pay a particular attention to the respect of pay-for-performance principle and to the board's independence level, diversity (PAI13) and expertise level.

In the context of Candriam's voting policy, specific guidelines are applied for a range of environmental- (e.g. climate (PAI1 to PAI6), biodiversity (PAI7)), social- (e.g. diversity, gender pay gap (PAI12), human rights (PAI10 PAI11)) and governance- related management or shareholder resolutions.

Candriam has an active approach to voting, in line with the consideration of the principle adverse impacts. Resolutions and voting opportunities are analysed in detail. Candriam always considers the relevance, consistence and feasibility of measures sponsored by any ESG resolution before casting vote. Thus, Candriam may vote against certain resolutions if they do not correspond to the principles defined in its voting policy or to the requirements relating to principle adverse impacts.

This year, we voted at 67 meetings: for 97.01 % of them we cast at least once against management.

With respect to environmental or social related resolutions, management submitted 2 of which we supported 100 %.

In addition, and for any voted director-election items (344 resolutions), we took into consideration Board Gender diversity aspects (PAI13).

In total 31 resolutions were filed by shareholders and we supported 58.06 % of them.

More specifically 3 were Human Rights, Climate or Diversity & Inclusion related: we supported 66.67 % of them.

For more detailed information about Candriam Voting policy evolution, votes and associated rationales, please refer to our voting dashboard [\[https://vds.issgovernance.com/vds/#/NDA0Nw==/\]](https://vds.issgovernance.com/vds/#/NDA0Nw==/)

#### **DIALOGUE** with corporate issuers

This financial product is invested in corporate issuers. Below statistics refer to engagement activities we have performed with these corporate issuers.

Climate (PAI1 to PAI6) is obviously central in our exchanges with companies. Priorities of Climate-engagement on the corporate side are identified taking into account :

- issuers presenting a weak transition profile (proprietary risk transition model), and/or still highly carbon intensive (Scope 1-2) or with large Scope 3 emissions
- issuers from financial sectors still largely exposed to fossil fuel and with a key role in financing the transition
- relative exposure of managed portfolios to the above issuers.

Candriam has joined in November 2021 the Net Zero Asset Management Initiative [\[https://www.netzeroassetmanagers.org/signatories/candriam/\]](https://www.netzeroassetmanagers.org/signatories/candriam/). Through engagement, our objective is to encourage companies to publicly report on how they align with a 1.5D trajectory and to encourage such an alignment. We expect issuers in particular to explain how their strategy and capital expenditures plan serve their decarbonisation commitment. We usually combine individual and collaborative dialogue.

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Candriam also actively participate to several collaborative initiatives such as Climate Action 100+ or IIGCC & ShareAction Climate initiatives on Financials. These initiatives contribute not only to increase the level of transparency on Greenhouse gas emissions and related strategy, but also to gain fundamental leverage for supporting strategic changes. Outcomes of these engagements are detailed in our annual engagement & voting report, available on our public website (Publications | Candriam) [\[https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications\]](https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications).

Given the geopolitical context and observed increase in inequalities, 27 issuer(s) with presence in the financial product have also been contacted in relation to the protection of fundamental human rights at direct or indirect workforce level (supply chain due diligence) (PAI10 PAI11).

Inclusion is not to be outdone, with 22 issuers, of the portfolio having been more specifically engaged on topics related to PAI 12 (Unadjusted gender pay gap) or PAI 13 (Board gender diversity).

While above mentioned PAI are prevalent when considering engagement performed for this financial product in 2023, other PAI such as biodiversity-related ones may also have been addressed in our dialogues with issuers. For more information, please refer to Candriam Engagement Annual review under Candriam website [\[https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities\]](https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities).

#### **EXCLUSIONS**

##### **PAI3**

In addition to companies involved in the thermal coal, oil and gas activities (PAI 4), electricity-generating companies with a carbon intensity greater than 354 gCO<sub>2</sub>/kWh (PAI 3), are considered risky for inclusion in sustainable investments, even if they are not universally controversial. Given that emissions vary according to electricity generation sources, it is important to assess the carbon footprint per kilowatt-hour (kWh) to determine how closely companies are aligned with the 2 degrees Celsius trajectory.

This is why Candriam includes the carbon intensity of energy producers in our sustainability assessment. Where carbon intensity data is not available, Candriam's ESG analysts use other indicators to assess alignment with the Paris Agreement, such as progress in the energy transition in line with Paris Agreement targets and integration of a 1.5D limit scenario, taking into account investment plans and the credibility of carbon neutrality targets. These indicators are forward-looking and evolve over time to reflect the progress made by companies in their transition.

The carbon intensity (PAI 3) threshold for the product in 2023 was established at 354 gCO<sub>2</sub>/kWh. Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding this threshold, in addition to those previously excluded.

##### **PAI4**

Exposure to fossil fuels (PAI 4) undergoes stringent exclusions across all Candriam sustainable funds. Thermal coal, recognized for its detrimental impact and serious financial and sustainability implications, poses systemic and reputational risks that financial benefits cannot outweigh.

Companies deriving more than 5% of their sales from coal mining, coal-fired power generation, and coal-related operations such as exploration, processing, transport, and distribution are automatically excluded.

Additionally, companies exceeding a 5% threshold of revenue from conventional oil and gas activities, including exploration, extraction, refining, and transportation, are ineligible for investment. Similarly, entities with over 5% exposure to unconventional oil and gas activities are also excluded.

Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding the 5% threshold of exposure to thermal coal activities, supplementing the previously excluded entities.

Furthermore, no additional issuer(s) lost their eligibility due to surpassing the 5% threshold of exposure to conventional oil and gas activities, while no additional issuer(s) lost their eligibility for exceeding the 5% threshold of exposure to unconventional oil and gas activities.

**PAI10**

In accordance with PAI10 Candriam's normative analysis determines whether a company complies with the 10 principles of the United Nations Global Compact for each of the main categories: Human Rights (HR), Labor Rights (LR), Environment (ENV) and Anti-Corruption (AC). Our norms based analysis incorporates various international references, including the United Nations Declaration of Human Rights, ILO Fundamental Conventions, and OECD Guidelines for Multinational Enterprises, ensuring comprehensive coverage of human rights, labor standards, corruption, and discrimination.

In Candriam's "Level 3" SRI exclusion policy, companies with severe to very severe violations of the UN Global Compact principles are excluded. This list focuses on a strict interpretation of violations of the UN Global Compact, as assessed by Candriam's ESG analysts.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, for significant and repeated breaches of international social, human, environmental and anti-corruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

**PAI14**

Candriam is firmly committed to excluding from all its investments companies directly involved in the development, production, testing, maintenance and sale of controversial weapons (anti-personnel landmines, cluster bombs, depleted uranium weapons and armor, chemical weapons, biological weapons and white phosphorus weapons). We consider these damaging activities to present systemic and reputational risks.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, due to their involvement in these activities.

**MONITORING:** calculation and evaluation of the principal adverse impact indicators

Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Financial Product. See below the results of the indicators of this Financial Product

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
Scope 1 GHG Emissions	3,344.84	92.78%	96.18%
Scope 2 GHG Emissions	3,023.83	92.78%	96.18%
Total GHG Emissions	6,368.67	92.78%	96.18%
2 - Carbon Footprint	3.88	92.78%	96.18%
3 - GHG intensity of investee companies	25.65	92.78%	96.18%
4 - Exposure to companies active in fossil fuel sector	0.00%	94.22%	96.18%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	96.15%	96.18%
13 - Board gender diversity	33.51%	92.71%	96.18%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	96.15%	96.18%





## What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is:  
01/01/2023 - 31/12/2023.

Largest investments	Sector	% of Assets	Country
MERCK & CO INC	Pharmaceuticals	9.13%	USA
ASTRAZENECA PLC	Pharmaceuticals	7.83%	GBR
ROCHE HOLDING LTD	Pharmaceuticals	6.72%	CHE
REGENERON PHARMACEUTICALS INC	Biotechnology	5.88%	USA
SIEMENS HEALTHINEERS	Pharmaceuticals	4.75%	DEU
HOLOGIC INC	Pharmaceuticals	4.55%	USA
THERMO FISHER SCIENT SHS	Electronics and semiconductors	4.47%	USA
DANAHER CORP	Machine and apparatus construction	3.84%	USA
DAIICHI SANKYO CO LTD	Pharmaceuticals	3.19%	JPN
MERCK KGAA	Pharmaceuticals	3.16%	DEU
NOVARTIS AG PREFERENTIAL SHARE	Pharmaceuticals	2.96%	CHE
SEAGEN INC	Biotechnology	2.79%	USA
AMGEN INC	Pharmaceuticals	2.63%	USA
GENMAB AS	Biotechnology	2.39%	DNK
IQVIA HOLDINGS INC	Pharmaceuticals	2.37%	USA

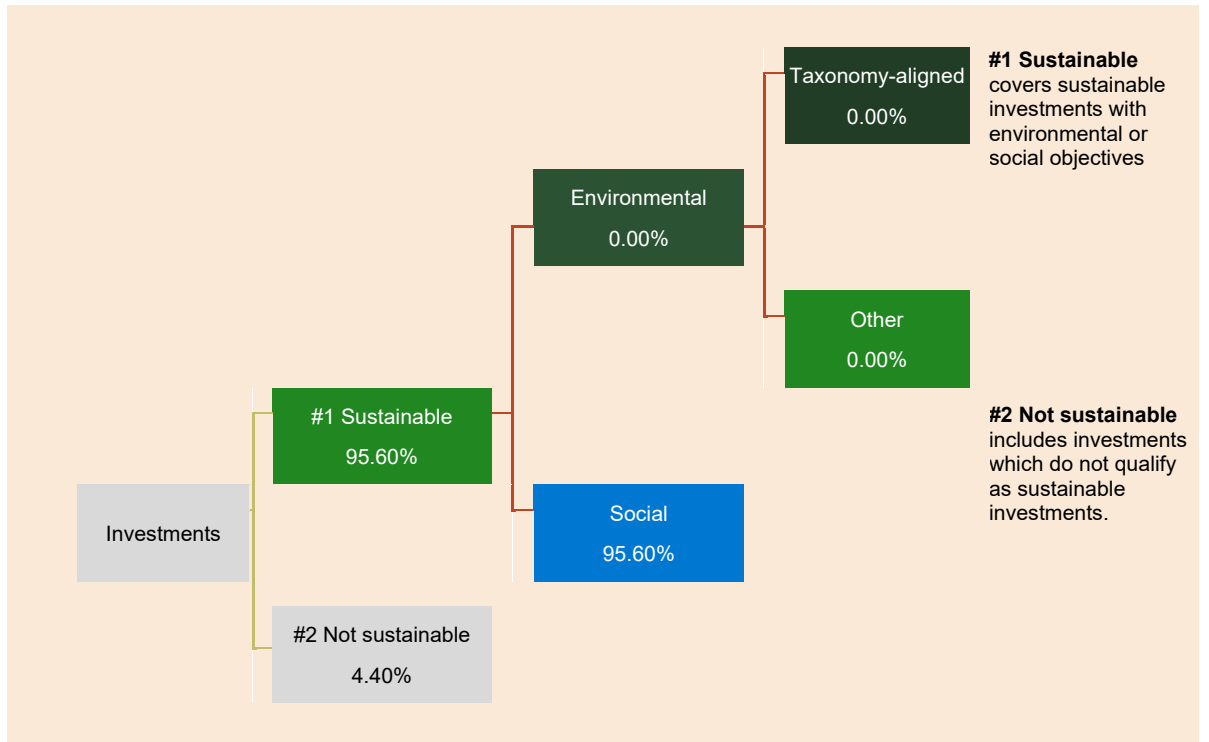
*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

### ● What was the asset allocation?



● ***In which economic sectors were the investments made?***

<b>Top sector</b>	<b>% of Assets</b>
Pharmaceuticals	56.21%
Biotechnology	26.23%
Banks and other financial institutions	4.59%
Electronics and semiconductors	4.54%
Machine and apparatus construction	3.85%
Photographic and optics	2.12%
Chemicals	1.15%
Miscellaneous services	0.79%
Healthcare	0.51%

*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

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

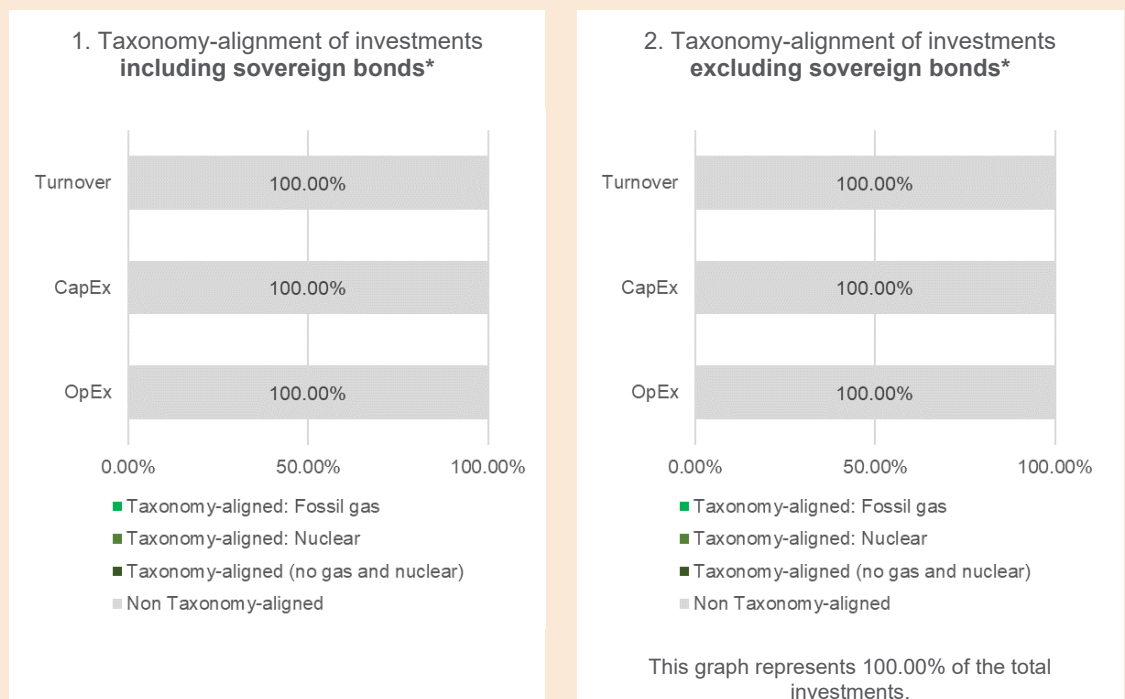
Taxonomy-aligned activities are expressed as a share of:

- **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.

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy? <sup>1</sup>

- Yes
- In fossil gas  In nuclear energy
- No

The graphs below show in green the percentage of investments that were 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.



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

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

● **What was the share of investments made in transitional and enabling activities?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, nor on the transitional and enabling activities, as very few companies at global level provide the data necessary for a rigorous assessment their alignment with the Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Year	% EU Taxonomy Aligned
2023	0.00%
2022	0.00%

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 breakdown of the proportion of the investments per each of the EU Taxonomy to which those investments contributed?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

Therefore, this percentage is considered as nul.

 **What was the share of sustainable investments with an environmental objective that were not aligned with the EU taxonomy?**

The Sub-Fund had a share of 0% in sustainable investments with an environmental objective not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2023 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

 **What was the share of socially sustainable investments?**

The Sub-Fund had a share of investments with a social objective of 95.60%

 **What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments included under "Not sustainable" are present in the Sub-fund for 4.4% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions and/or being the result of the market exposure decision of the Sub-fund.
- Investments with issuers considered as sustainable investments at the moment of the investment and that are not fully aligned anymore with the Candriam sustainable investment criteria. These investments have been sold during the period.
- Non single name derivatives used for exposition and hedging purposes.

These investments do not affect the delivery of the sustainable investment objectives of the Sub-Fund as they represent a minor proportion of its assets.

 **What actions have been taken to attain the sustainable investment objective during the reference period?**

The financial product seeks to outperform the benchmark by the level of education of management teams, measured as the percentage of senior executives holding a doctorate.

Over the reference period, the financial product invested in 23.56% of its net assets to issuers where at least one senior executive held a doctorate, 518.37% higher compared to its benchmark.

The financial product has achieved its objective by allocating a higher proportion of investments in issuers where at least one senior executive held a doctorate as compare to its benchmark.

The financial product seeks to outperform the benchmark by the amount of research and development spending as a proportion of the company's market capitalisation.

Over the reference period, the financial product displayed a proportion of 2.86% of issuers spending in research & development, 204.26% higher compared to its benchmark.

The financial product has achieved its objective by selectively favouring issuers that display a higher proportion amount spent in research and development as compare to its benchmark.



## How did this financial product perform compared to the reference sustainable benchmark?

No specific index is designated as a reference sustainable benchmark to meet the sustainable investment objectives.

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

## 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

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

YES

- It made **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 made **sustainable investments with a social objective**: \_\_\_%

NO

- It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 88.58% 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 promoted E/S characteristics, but **did not make any sustainable investments**



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The environmental and social characteristics promoted by the Sub-fund have been achieved by:

- avoiding exposure to companies that present structural risks that are both material and severe and are most seriously in breach of normative principles taking into account practices in environmental and social issues as well as compliance with standards such as the United Nations Global Compact and the 'OECD Guidelines for Business standards.
- avoiding exposure to companies that are significantly exposed to controversial activities such extraction, transportation or distribution of thermal coal, the manufacturing or retailing of Tobacco and production or sale of controversial weapons (anti-personnel mines, cluster bombs, chemical, biological, phosphorus weapons white and depleted uranium.
- integrating Candriam's ESG research methodology into the investment process and investing a proportion of its assets in Sustainable Investments.

### ● How did the sustainability indicators perform?

For the selection of sustainable investments, the portfolio manager has taken into account ESG assessments of issuers, produced by Candriam's ESG analyst team.

For companies, these assessments are based on the analysis of the company's interactions with its key stakeholders and the analysis of its business activities and their impact, positive or negative, on key sustainability challenges such as climate change and resource depletion. In addition, Candriam's ESG analysis includes exclusion filters based on compliance with international standards and involvement in controversial activities.

Candriam's ESG research and analysis for sustainable investments also assesses the compliance of investments with the "do no harm" principle to a sustainable investment objective and with good governance practices.

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 20%). The proportion of sustainable investments in the Fund

was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

Sustainability KPI Name	Portfolio	Benchmark	New indicator
Carbon Footprint - Corporate - Scope 1&2 - Lower than bench	7.33	47.39	

● **... And compared to previous periods?**

The sub-fund has also been managed in line with its sustainability indicators.

Sustainability KPI Name	Year	Portfolio	Benchmark
Carbon Footprint - Corporate - Scope 1&2 - Lower than bench	2022	7.43	51.74

The asset allocation of the financial product has evolved over the years.

Investment Category	Proportion of Investments	Proportion of Investments
	2023	2022
#1 Aligned with E/S characteristics	94.51%	95.18%
#2 Other	5.49%	4.82%
#1A Sustainable	88.58%	88.33%
#1B Other E/S characteristics	5.93%	6.85%
Taxonomy-aligned	0.00%	0.00%
Other environmental	26.01%	23.57%
Social	62.57%	64.76%



## ● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objective?**

The sustainable investments which the Sub-fund intended to achieve for a portion of the portfolio were to contribute to the reduction of greenhouse gas emissions by means of exclusions and the use of climate indicators in the analysis of companies, and to have a positive impact on environment and social domains in the long-term.

The proportion of sustainable investments was higher than the minimum defined in the prospectus (minimum 20%). It allowed the Sub-fund to exceed the objectives initially set.

However, the Sub-fund is not able to publish a percentage of alignment with the Taxonomy since a small number of companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

## ● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Candriam ensured that those investments have not cause significant harm to any environmental and/or social sustainable investment objective by means of its ESG research and analysis of corporate issuers.

Based on its proprietary ESG Ratings and Scorings, Candriam's ESG methodology sets criteria and minimum thresholds to identify those issuers that qualify as 'sustainable investment' and, in particular, have not cause significant harm to any environmental and/or social sustainable investment objective.

The 'Do not significant harm' principle, in particular, was assessed for corporates through:

- the consideration of "principal adverse impacts"
- the alignment with the OECD Guidelines for Multinational Enterprises and the UN Global Compact to ensure minimum environmental & social safeguards.

For more details, refer to the section below on the consideration of principal adverse impacts on sustainability factors.

### ***How were the indicators for adverse impacts on sustainability factors taken into account?***

The consideration of adverse impacts is central to Candriam's sustainable investment approach. Principal adverse impacts were taken into account throughout the entire ESG research and analysis process and through a wide range of methods:

1. ESG rating of corporates: the ESG research and screening methodology considers and assesses the principal adverse impact on sustainability from two distinct, but interlinked, angles:

- the company's issuers' business activities and how they impact, either positively or negatively, key sustainable challenges such as climate change and resource depletion;
- company's interactions with key stakeholders.

2. Negative screening of companies, which includes a norms-based exclusion and an exclusion of companies involved in controversial activities.

3. Engagement activities with companies, through dialogue and voting activities, which contribute to avoiding or reducing the extent of the adverse impacts. The ESG analysis framework and its results feed our engagement process, and vice versa.

The integration of the principal adverse impacts on sustainability factors has been based on the materiality or likely materiality of each indicator for each specific industry / sector to which the company belongs. The materiality is dependent on several factors, such as: type of information, data quality and breadth, applicability, relevance, and geographical coverage.

### ***Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

The sustainable investments of the Sub-fund have been compliant with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights.

They are subject to a norms-based controversy analysis that considers the compliance with the international social, human, environmental and anti-corruption standards, as defined by the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises. The International Labour Organisation and International Bill of Human Rights are part of the many international references integrated into our norms-based analysis and ESG model.

This analysis aimed to exclude companies that have significantly and repeatedly breached any of these principles.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union 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.*

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

At Financial Product level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means: voting, dialogue, exclusions and/or monitoring (cfr. Candriam's PAI statement: <https://www.candriam.com/en/private/sfdrl/>)

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Candriam has exercised voting rights when available on positions of the portfolio. Shareholders' rights, equality of shareholders, board accountability, transparency and integrity of financial statements are core pillars of our voting policy. When exercising our votes we pay a particular attention to the respect of pay-for-performance principle and to the board's independence level, diversity (PAI13) and expertise level.

In the context of Candriam's voting policy, specific guidelines are applied for a range of environmental- (e.g. climate (PAI1 to PAI6), biodiversity (PAI7)), social- (e.g. diversity, gender pay gap (PAI12), human rights (PAI10 PAI11)) and governance- related management or shareholder resolutions.

Candriam has an active approach to voting, in line with the consideration of the principle adverse impacts. Resolutions and voting opportunities are analysed in detail. Candriam always considers the relevance, consistence and feasibility of measures sponsored by any ESG resolution before casting vote. Thus, Candriam may vote against certain resolutions if they do not correspond to the principles defined in its voting policy or to the requirements relating to principle adverse impacts.

This year, we voted at 46 meetings: for 93.48 % of them we cast at least once against management.

With respect to environmental or social related resolutions, management submitted 1 of which we supported 100 %.

More specifically, 1 proposals were related to climate (100 % support).

In addition, and for any voted director-election items (355 resolutions), we took into consideration Board Gender diversity aspects (PAI13).

In total 30 resolutions were filed by shareholders and we supported 70 % of them.

More specifically 7 were Human Rights, Climate or Diversity & Inclusion related: we supported 100 % of them.

For more detailed information about Candriam Voting policy evolution, votes and associated rationales, please refer to our voting dashboard [\[https://vds.issgovernance.com/vds/#/NDA0Nw==/\]](https://vds.issgovernance.com/vds/#/NDA0Nw==/)

### DIALOGUE with corporate issuers

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- issuers from financial sectors still largely exposed to fossil fuel and with a key role in financing the transition
- relative exposure of managed portfolios to the above issuers.

Candriam has joined in November 2021 the Net Zero Asset Management Initiative [\[https://www.netzeroassetmanagers.org/signatories/candriam/\]](https://www.netzeroassetmanagers.org/signatories/candriam/). Through engagement, our objective is to encourage companies to publicly report on how they align with a 1.5D trajectory and to encourage such an alignment. We expect issuers in particular to explain how their strategy and capital expenditures plan serve their decarbonisation commitment. We usually combine individual and collaborative dialogue.

3 issuers in the financial product are actually part of the priority targets of Candriam Net Zero Engagement campaign.

In addition, we continue to actively support CDP Climate [\[https://www.cdp.net/en\]](https://www.cdp.net/en), a large transparency survey feeding our investment processes : out of the 42 financial product's issuers targeted, 95.24% have properly filled the last survey. Filled surveys give us access to updated and more accurate Scope 1-2-3 emissions' data.

Candriam also actively participate to several collaborative initiatives such as Climate Action 100+ or IIGCC & ShareAction Climate initiatives on Financials. These initiatives contribute not only to increase the level of transparency on Greenhouse gas emissions and related strategy, but also to gain fundamental leverage for supporting strategic changes. Outcomes of these engagements are detailed in our annual engagement & voting report, available on our public website (Publications | Candriam) [\[https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications\]](https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications).

Given the geopolitical context and observed increase in inequalities, 34 issuer(s) with presence in the financial product have also been contacted in relation to the protection of fundamental human rights at direct or indirect workforce level (supply chain due diligence) (PAI10 PAI11).

Inclusion is not to be outdone, with 24 issuers, of the portfolio having been more specifically engaged on topics related to PAI 12 (Unadjusted gender pay gap) or PAI 13 (Board gender diversity).

While above mentioned PAI are prevalent when considering engagement performed for this financial product in 2023, other PAI such as biodiversity-related ones may also have been addressed in our dialogues with issuers. For more information, please refer to Candriam Engagement Annual review under Candriam website [\[https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities\]](https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities).

### EXCLUSIONS

#### PAI10

In accordance with PAI10 Candriam's normative analysis determines whether a company complies with the 10 principles of the United Nations Global Compact for each of the main categories: Human Rights (HR), Labor Rights (LR), Environment (ENV) and Anti-Corruption (AC). Our norms based analysis incorporates various international references, including the United Nations Declaration of Human Rights, ILO Fundamental Conventions, and OECD Guidelines for Multinational Enterprises, ensuring comprehensive coverage of human rights, labor standards, corruption, and discrimination.

In Candriam's "Level 1" company exclusion policy, companies that have committed the most serious violations of the UN Global Compact principles are excluded. This list focuses on a strict interpretation of violations of the UN Global Compact, as assessed by Candriam's ESG analysts.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, for significant and repeated breaches of international social, human, environmental and anti-corruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

**PAI14**

Candriam is firmly committed to excluding from all its investments companies directly involved in the development, production, testing, maintenance and sale of controversial weapons (anti-personnel landmines, cluster bombs, depleted uranium weapons and armor, chemical weapons, biological weapons and white phosphorus weapons). We consider these damaging activities to present systemic and reputational risks.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, due to their involvement in these activities.

**MONITORING:** calculation and evaluation of the principal adverse impact indicators

Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Financial Product. See below the results of the indicators of this Financial Product

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
2 - Carbon Footprint	7.33	94.51%	94.51%
3 - GHG intensity of investee companies	39.66	94.51%	94.51%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	94.51%	94.51%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	94.51%	94.51%



## What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: 01/01/2023 - 31/12/2023.

Largest investments	Sector	% of Assets	Country
ALPHABET INC -A-	Internet and internet services	5.38%	USA
MICROSOFT CORP	Internet and internet services	4.39%	USA
ADVANCED MICRO DEVICES INC	Electronics and semiconductors	3.44%	USA
PALO ALTO NETWORKS	Internet and internet services	3.30%	USA
SIEMENS AG PREFERENTIAL SHARE	Electrical engineering	3.08%	DEU
EMERSON ELECTRIC CO	Electrical engineering	3.05%	USA
SERVICENOW INC	Internet and internet services	2.89%	USA
PTC INC	Internet and internet services	2.82%	USA
INTUITIVE SURGICAL	Pharmaceuticals	2.75%	USA
SALESFORCE INC	Internet and internet services	2.75%	USA
NVIDIA CORP	Electronics and semiconductors	2.74%	USA
SCHNEIDER ELECTRIC SE	Electrical engineering	2.71%	FRA
ASML HOLDING NV	Electronics and semiconductors	2.70%	NLD
ROCKWELL AUTOMATION	Electrical engineering	2.50%	USA
KEYENCE CORP	Electronics and semiconductors	2.45%	JPN

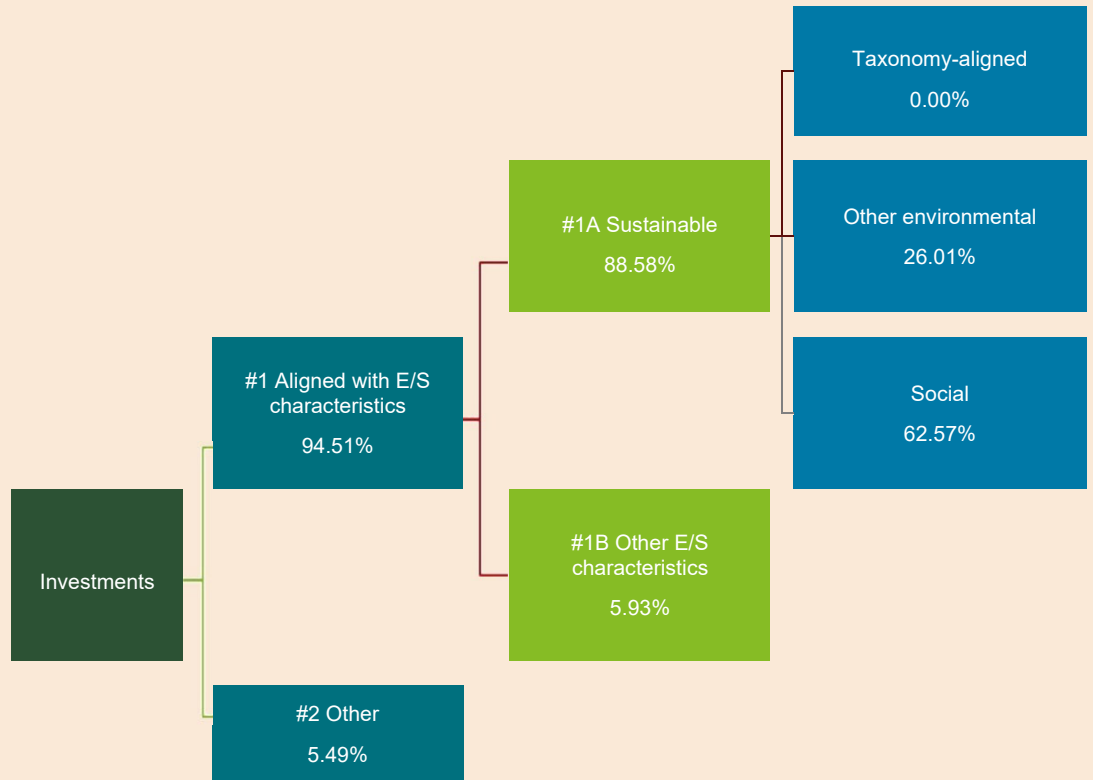
*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## What was the proportion of sustainability-related investments?

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

### ● What was the asset allocation?



**#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 environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● **In which economic sectors were the investments made?**

Top sector	% of Assets
Internet and internet services	37.33%
Electronics and semiconductors	31.25%
Electrical engineering	14.51%
Banks and other financial institutions	5.88%
Machine and apparatus construction	4.25%
Pharmaceuticals	4.00%
Road vehicles	1.85%
Communication	0.87%
Non Classifiable Institutions	0.06%

*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**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.

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 the green operational activities of investee companies.

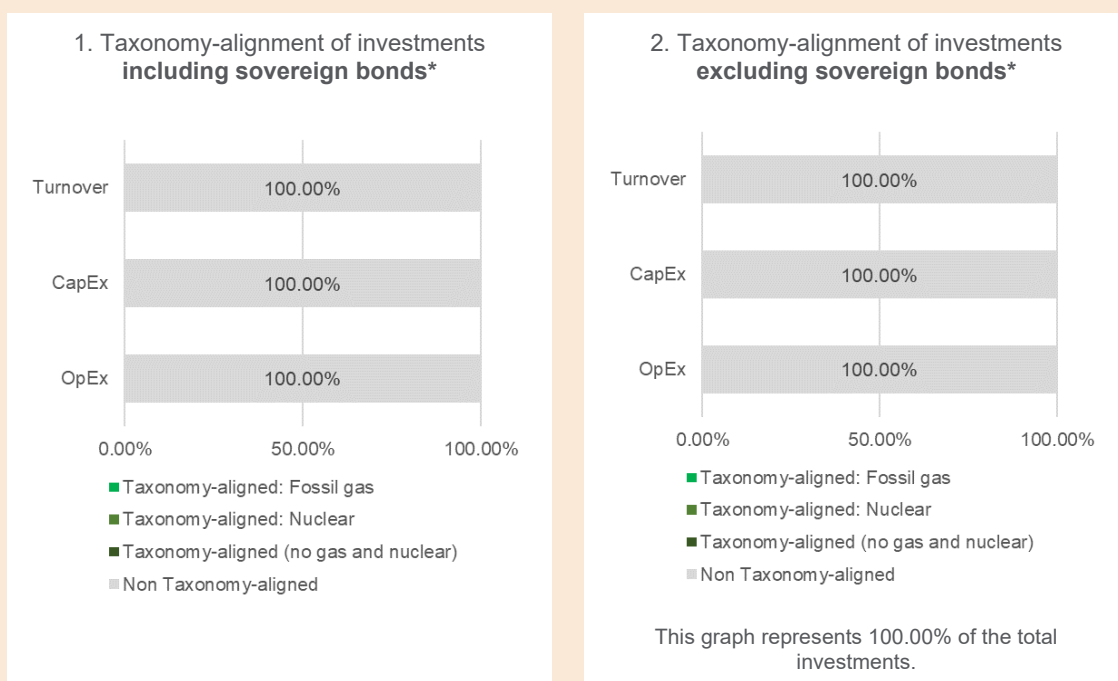


## To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?<sup>1</sup>

- Yes
- In fossil gas  In nuclear energy
- No

The graphs below show in green the percentage of investments that were 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.



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

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



● **What was the share of investments made in transitional and enabling activities?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, nor on the transitional and enabling activities, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Year	% EU Taxonomy Aligned
2023	0.00%
2022	0.00%

● **What is the breakdown of the proportion of the investments per each of the EU Taxonomy to which those investments contributed?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy

Therefore, this percentage is considered as nul.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

● **What was the share of sustainable investments with an environmental objective not aligned with the EU taxonomy?**

The Sub-Fund had a share of 26.01% in sustainable investments on the environmental plan not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2023 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

● **What was the share of socially sustainable investments?**

The Sub-fund had a share of investments with a social objective of 62.57%

● **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments included under "Other" are present in the Sub-fund for 5.49% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions or being the result of the decision of market exposure of the Sub-Fund;
- Investments with issuers with E/S characteristics at the moment of the investment and are not fully aligned anymore with the Candriam investment with E/S criteria. These investments have been sold during the period or considered as other investments;
- Other investments (including single name derivatives) purchased for diversification purposes, which do not meet environmental or social characteristics or which may not be subject to an ESG screening or for which ESG data was not available. These investments have respected the good governance;
- Non single name derivatives used for exposition and hedging purposes.

➔ **What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

The financial product aims to achieve a carbon footprint that is lower than the Benchmark.

Over the reference period, the financial product emitted 7.33 Tons CO2eq per million € invested, 84.54% lower than the benchmark.

Compared to the previous year, the financial product's carbon footprint has decreased by 1.39%.

The financial product has achieved its objective by favouring issuers with lower carbon footprint.



## How did this financial product perform compared to the reference benchmark?

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

No index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund