Audited annual report

Candriam M (In liquidation)

31 December 2023

01.01.2023 - 31.12.2023
SICAV under Luxembourg Law
R.C.S. Luxembourg B-135265

Candriam M (In liquidation)

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

Fabrice CUCHET
COO, Member of the Group Strategic Committee
Candriam

Directors

Thierry BLONDEAU
Independent Director

Isabelle CABIE
Global Head of Corporate Sustainability
Candriam

Tanguy DE VILLENFAGNE
Advisor to the Group Strategic Committee
Candriam

Bertrand GIBEAU
Independent Director

Renato GUERRIERO
Global Head of European Client Relations, Member of the Group Strategic Committee
Candriam

Damien ROL
Deputy Global Head of Legal
Candriam

Registered Office

5, Allée Scheffer
L-2520 Luxembourg
Grand Duchy of Luxembourg

Depositary Bank and Principal Paying Agent

CACEIS Bank, Luxembourg Branch
5, Allée Scheffer
L-2520 Luxembourg
Grand Duchy of Luxembourg

Alternative Investment Fund Manager and Management Company

Candriam
SERENITY - Bloc B
19-21, Route d'Arlon
L-8009 Strassen
Grand Duchy of Luxembourg

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

CACEIS Bank, Luxembourg Branch
5, Allée Scheffer
L-2520 Luxembourg
Grand Duchy of Luxembourg

The functions of **Investment Managers** are performed by:

Candriam and/or by one or more of its branches:

- Candriam - Belgian Branch
  58, Avenue des Arts
  B-1000 Brussels

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

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

Symbiotics S.A.
31, rue de la Synagogue
CH-1204 Geneva
Switzerland

"Réviseur d'entreprises agréé"

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

Details about the SICAV

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

An annual report and audited financial statements for the SICAV in respect of each financial year will be published and made available to Shareholders within six months of the end of the period they cover.

The SICAV having been officially put into liquidation by an extraordinary meeting of shareholders (“EGM”) held on May 13, 2024, this delay could not be met since the financial statements of the SICAV had to be recalculated on a non-going concern basis as detailed in this annual report.

Such reports and financial statements will comprise consolidated financial statements of the SICAV expressed in Euro, being the reference currency of the SICAV, and financial information on each Sub-Fund expressed in the base currency of each Sub-Fund.

Deloitte Tax & Consulting, represented by Mr Nicolas Hennebert, Partner has been appointed by the EGM held on May 13, 2024 as the liquidator of the SICAV (the “Liquidator”).

The annual general meeting of Shareholders will be held, in accordance with Luxembourg law, at the time and place specified in the convening notice. The annual general meeting may be held abroad if, in the Liquidator’s discretion, exceptional circumstances so require.

The shareholders shall meet when convened by the Liquidator. A notice, providing the meeting’s agenda, shall be sent by mail, unless the recipients have individually agreed to receive the convening notice by another means of communication, at least eight days before the meeting to all shareholders at their addresses recorded in the register of shareholders.

Copies of the annual and last semi-annual reports and financial statements may be obtained free of charge from the registered office of the SICAV in Luxembourg.

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%.

Report of the Board of Directors

Economic and financial background (continued)

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.

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 M Global Trading

After a rapid and violent asset risk premia repricing during the year of 2022, the market environment during the last 12 months ending in December 2023 can be characterized as relatively benign compared to investor’s expectations going into 2023. Consensus views of an economical hard landing did not materialize, especially in the United States where the strength of private consumption contributed to the resilience of the economy. This helped equity indices rebound from the 2022 lows. On the fixed income side, while front end rates remained strongly anchored to Central Banks tightening programs, long-term rates were volatile during the last year. Throughout the year, investors were reviewing mixed signals coming from the different data sources. On one hand, inflation and economic growth were progressively slowing down and pointing in the right direction, but on the other hand, employment data and private consumption levels remained strong. As a consequence, fixed income strategies with long duration were relatively volatile throughout the last 12 months period.

The 1st quarter of 2023 was a tense market with investors eager to see past through the current uncertainties regarding projections of economic and earnings growth. This situation led to market dynamics where long duration assets, the laggers of 2022, outperformed cyclical sectors such as energy, financials and materials. Curiously, although the quarter was very challenging and volatile, the drop in sovereign yields, mainly in US treasuries, seemed to be the only material trace in financial asset valuations that we came close to a banking systemic crisis. The debt ceiling issue in the biggest economy in the world was an issue to be addressed and inflation, although showing signs of pointing in the right direction, was far from being a problem from the past. Our fund performance was negative during the month of March. Our biggest detractors during the period were strategies negatively impacted by the important rally on sovereign issues. Despite the collapse of several banks in the US and the provision of emergency liquidity lines to assure financial stability, equity markets have rallied. We were positioned for a more bearish scenario and the correction of equities and sectors whose valuations appeared to be stretched taking into account current economic fundamentals. Despite poor alpha generation across the industry, the fund displayed moderate resilience during the quarter and generating a slightly negative return for the quarter.

Note: The information in this report is provided for information purposes and is no way indicative of future performance.

Report of the Board of Directors

Candriam M Global Trading (continued)

During the first half of the year, one can say that the bulls have taken the upper hand over the bears. Despite the occurrence of a banking crisis and the many political and economic challenges that lie ahead, market volatility remained muted on the back of a resilient US economy. Although the world economy is still pointing to a slowdown, the resilience of the US consumer has supported the case for a soft-landing or shallow recession scenario. All these uncertainties contributed to a relatively noisy market environment where the inflation is pointing in the right direction but not decreasing quick enough, where the economy is cooling but not as much as expected. Alpha driven strategies continued to display difficulties to outperform over the short term in a market that was relatively directional and with low breadth. The fund generated a positive but muted performance during the quarter driving positive contributions from allocations to Global Macro with focus on EM debt, CTA and Statistical Arbitrage.

During Q3, the fund was up more than 1%. All the strategies but one, Statistical Arbitrage, were positive. The main performance drivers were Global Macro, Fixed Income RV and Quant Multi-Strategy. Quantitative Multi-Strategy benefitted from the positive performance of their sub strategies in futures, commodities statistical arbitrage, and volatility. Within Fixed income RV and Global Macro funds posted solid positive returns benefitting from the volatility on the relative value side as well as the steepening of the US yield curves and the ongoing trend for higher rates. The 3rd quarter was strong for our strategy despite a poor performance of the equity market and the bond market, both down mid-single digit returns.

The investment team received instruction on September 1st of 2023 to unwind the investment mandate. Immediate action was taken to organize an orderly liquidation of the investment vehicle according a schedule that would realize the sale of most of the portfolio's investments by the end of March 2024. As we write, portfolio investments have been sold and converted into cash.

Candriam M Impact Finance

Fund Comment

As of December 2023, the fund's Net Asset Value stood at USD 26 million, with a total portfolio valued at USD 26.8 million. The fund maintained a good level of diversification, with investments in 52 investees across 33 countries and 12 different currencies, with an average exposure of USD 0.46 million. In 2023, the fund achieved a return of 2.19% before the adjustments following the decision of the liquidation. Although bolstered by its competitive yield, its performance was impacted by the addition of a new workout case in South Africa and increased provisioning for two existing investments in Myanmar. The fund's best monthly performance was in August, with 0.59%, while its worst performance was in April, with a performance of -0.23%, attributed to a 20% increase in provisioning for both Myanmar investees. Throughout the year, the fund completed twelve new investments in MFIs located in ten different countries, for a total notional amount of USD 5.6 million. These investments predominantly contributed to the achievement of the United Nations Sustainable Development Goals, specifically SDG 1 ("No poverty"), SDG 8 ("Decent work and economic growth"), SDG 5 ("Gender equality"), SDG 11 ("Sustainable cities and communities"), and SDG 2 ("Zero hunger").

Market comment

As 2023 began, the global economic landscape had been marked by a cautiously optimistic tone, thanks to signs of resilience and a rebound from the trials of the previous year. Early on, a collective sigh of relief was felt as the United States unveiled unexpectedly strong economic figures, the European Union navigated away from recession fears, and China initiated a significant reopening after its COVID-19 lockdowns. Emerging markets, in particular, stepped into the spotlight, buoyed by a wave of hope due to easing inflation, falling commodity prices, China's economic revival, and a softening US dollar.

While China's economic growth in the first quarter exceeded expectations, by May, the positive momentum had reversed, with China's benchmark stock index relinquishing its yearly gains amid underwhelming industrial production and retail sales figures, rising concerns over developers' debt, a slump in the construction sector, and escalating geopolitical tensions. These factors contributed to a depreciating yuan, exacerbated by a widening interest rate differential with the US. Against this backdrop, India maintained its status as the fastest-growing large economy, achieving a 6.1% expansion, an upgrade from the 0.20% increase forecasted by the IMF in April. Conversely, China, anticipated to be the second-fastest-growing major economy with a 5.2% growth rate for the year, experienced a deceleration in its post-COVID-19 recovery.

In early June, the US dollar retreated from a three-month peak following the approval of a bill by US lawmakers to raise the debt ceiling. Market attention swiftly turned to the Federal Reserve meeting on June 14, 2023, where, in a notable move, the Fed refrained from increasing rates for the first time since March 2022. Despite this pause, the Fed strongly indicated that its rate-hiking efforts were far from over, with ongoing robust payroll growth and persistent core inflation suggesting that additional hikes were imminent. Chairman Powell highlighted that inflationary pressures remained elevated and emphasized that reducing inflation back to the 2% target was still a distant goal.

Following a better than expected first half of the year, global markets lost momentum during the third quarter. Although US inflation dropped from near 5.0% in April to 3.2% in July, the resilient economic and job market data, the sticky core inflation, as well as the sharp increase in oil prices following the announcement that Russia and Saudi Arabia would extend output cuts brought together the sentiment that the tight stance of the Fed might last for longer than previously anticipated. In September, the Fed held interest rates steady at 5.5%, while also indicating that one more hike before the end of the year was on the table. However, the main takeaway of the meeting was the officials' projections of two cuts in 2024, two fewer than indicated during the previous update in June, signaling a more restrictive policy and a higher-for-longer approach. Consequently, the US dollar climbed to its highest level in 2023 while treasury yields reached 15-year highs across much of the yield curve. The US Dollar Index gained 3.2% during the quarter, rising against nine out of ten G10 currencies, as well as most emerging market currencies.

Report of the Board of Directors

Candriam M Impact Finance (continued)

For emerging markets, the third quarter began positively amid global disinflationary trends but was penalized by the worsening risk sentiment in August and September as US Treasury yields surged and negative headlines emerged from China regarding the muted growth and property sector woes. Inflationary pressures also gained back focus with the rally in oil prices during the quarter. According to S&P Global, the monetary expansion in mainland China was expected to be curbed by multiple headwinds, and recent monetary stimulus was not expected to make a material difference to growth prospects. As policy decisions were gradually announced, they were being overshadowed by the persistent challenges facing various sectors, particularly the housing market, which had returned to a sharp correction mode. GDP growth forecasts for this year and next had again been lowered, to 5.0% and 4.6%, respectively. In contrast, much stronger than expected GDP prints in India, with a strong service sector performance and rising consumer demand, had prompted upward revisions to growth forecasts for the country. For emerging markets in general, both core and headline inflation seemed to be moderating and past their peaks, partly because of cooling developed market economies. Nevertheless, commodity prices remained as an upside risk, especially for countries that were more vulnerable to fluctuations in food and energy prices.

The last quarter of the year saw a strong performance across most major asset classes. Despite the negative sentiment early in the quarter stemming from rising bond yields and the conflict in the Middle East, declining global inflation eased concerns around the monetary policy trajectory of major global central banks and contributed to a sharp reversal in global yields and US dollar strength. The most significant economic development in the quarter was the change in the policy outlook by the Fed. The Fed’s Federal Open Market Committee (FOMC) met twice in the quarter and made no changes to the federal funds rate, effectively ending the hiking cycle. Furthermore, following the December meeting, FOMC announced that it was projecting three 25 bps rate cuts in 2024, pointing to a soft-landing scenario, in which inflation would continue to slow down without a recession and sharp rise in unemployment. The announcement, coupled with dovish post-meeting comments from Chairman Powell, helped drive bond yields sharply lower and equities higher in the US and the rest of the world. The Fed’s updated projections showed inflation ending 2023 at 2.8%, before reaching 2.4% by the end of 2024, closer to the 2% target, while the unemployment rate was forecast to rise from 3.7% to 4.1%, and growth was seen slowing from 2.6% in 2023 to 1.4% over 2024. During the quarter, emerging markets overall produced a positive performance with currencies strengthening versus the US dollar, interest rates decreasing, and credit spreads tightening. Worries over a potential rebound in inflation in emerging markets moderated, supported by the decrease in commodity prices, particularly oil prices. China continued to disappoint as the property sector woes dominated the headlines while both consumer confidence and foreign investment declined and created further challenges for growth. Meanwhile, India experienced moderating inflation and a strong showing for the ruling BJP party in key state elections.

Loan origination experienced a well-balanced geographical expansion in 2023, with notable growth in Europe and Central Asia, and Latin America, despite Asia's underperformance mainly due to China's economic slowdown. However, India demonstrated significant growth. Africa saw mixed results with strong investment in fintech and energy, though some countries experienced a decline in portfolio quality. The global loan portfolio rebounded after a stagnant first quarter, showing positive growth. South-East Asia faced challenges leading to subdued growth, whereas Mongolia and India saw robust expansion. The Caucasus and Central Asia region continued to grow despite the war in Ukraine, thanks to increased economic activity and regional trade. Portfolio quality remained stable overall, with improvements in some areas and declines in others. Cambodia saw a deterioration due to external factors, while India and Pakistan reported strong portfolio qualities. The MENA region maintained stability, but Kazakhstan and Kyrgyzstan faced challenges due to high inflation. Despite these variances, a balanced risk management approach was evident across the board. Financial performance was strong, with consistent Average Return on Equity (ROE) and notable profitability trends, especially in South Asia due to interest rate recalibrations. Caucasus and Central Asia benefited from currency conversion and service fees, while Latin America showed stability despite lagging in profitability. Solvency remained stable across regions, supported by well-capitalized institutions and improved loan portfolio quality and profitability. South Asia's financial institutions showed resilience, and despite some challenges in 2022, the outlook remains positive, bolstered by portfolio growth. Latin America's solvency was stable, attributed to the market's maturity and the development of partner financial institutions.

Candriam M Multi Strategies

After a rapid and violent asset risk premia repricing during the year of 2022, the market environment during the last 12 months ending in December 2023 can be characterized as relatively benign compared to investor’s expectations going into 2023. Consensus views of an economical hard landing did not materialize, especially in the United States where the strength of private consumption contributed to the resilience of the economy. This helped equity indices rebound from the 2022 lows. On the fixed income side, while front end rates remained strongly anchored to Central Banks tightening programs, long-term rates were volatile during the last year. Throughout the year, investors were reviewing mixed signals coming from the different data sources. On one hand, inflation and economic growth were progressively slowing down and pointing in the right direction, but on the other hand, employment data and private consumption levels remained strong. As a consequence, fixed income strategies with long duration were relatively volatile throughout the last 12 months period.

The 1st quarter of 2023 was a tense market with investors eager to see past through the current uncertainties regarding projections of economic and earnings growth. This situation led to market dynamics where long duration assets, the laggers of 2022, outperformed cyclical sectors such as energy, financials and materials. Curiously, although the quarter was very challenging and volatile, the drop in sovereign yields, mainly in US treasuries, seemed to be the only material trace in financial asset valuations that we came close to a banking systemic crisis. The debt ceiling issue in the biggest economy in the world was an issue to be addressed and inflation, although showing signs of pointing in the right direction, was far from being a problem from the past. In March, we managed to mitigate the market volatility and limit the downside. Our biggest detractors during the period were strategies negatively impacted by the important rally on sovereign issues and certain short thematics. Despite the collapse of several banks in the US and the provision of emergency liquidity lines to assure financial stability, equity markets have rallied. We were positioned for a more bearish scenario and the correction of equities and sectors whose valuations appeared to be stretched taking into account current economic fundamentals. Despite poor alpha generation across the industry, the fund displayed strong resilience during the quarter keeping the gains of 2022 and generating a slightly negative return for the quarter.

During the first half of the year, one can say that the bulls have taken the upper hand over the bears. Despite the occurrence of a banking crisis and the many political and economic challenges that lie ahead, market volatility remained muted on the back of a resilient US economy. Although the world economy is still pointing to a slowdown, the resilience of the US consumer has supported the case for a soft-landing or shallow recession scenario. All these uncertainties contributed to a relatively noisy market environment where the inflation is pointing in the right direction but not decreasing quick enough, where the economy is cooling but not as much as expected. Alpha driven strategies continued to display difficulties to outperform over the short term in a market that was relatively directional and with low breadth. The fund generated a positive but muted performance during the quarter driving positive contributions from allocations to Long-Short Equity, Quantitative strategies and Emerging Markets.

Report of the Board of Directors

Candriam M Multi Strategies (continued)

During Q3, Candriam M Multi Strategies was up more than 1%. All the strategies but one, Emerging Markets, were positive. The main performance drivers were Quantitative Strategies, Long-Short Equity and Fixed Income arbitrage. Quantitative strategies benefitted from the positive performance of their sub strategies in futures, commodities statistical arbitrage, and volatility. Fixed income and Macro funds posted solid positive returns benefitting from the volatility on the relative value side as well as the steepening of the US yield curves and the ongoing trend for higher rates. Our core Fixed Income Arbitrage strategy was able to recover its March drawdown and was back on positive territory. The Long/Short strategy , which suffered from low dispersion during the 1st quarter, were back on track helped by dispersion and much rational behavior, both on long and short positions. Event driven was supported mainly by the tightening of the spreads on the M&A. The 3rd quarter was strong for our strategy despite a poor performance of the equity market and the bond market, both down mid-single digit returns. This emphasizes once more on our decorrelation from traditional asset classes.

During Q4, the fund benefitted from the positive environment experienced in the markets with hopes of a goldilocks scenario driving equity markets close to all-time highs while long term rates were falling rapidly in anticipation of a large number of rate cuts by the central banks in 2024 and especially the Federal Reserve. All strategies have been trending up during Q4 on the back of this general shift from the central bankers: Long Short Equity enjoyed this quarter-long year-end rally, while Event Driven managers benefitted from the increase in global optimism. Fixed Income Relative and Value and Global Macro managers did also quite well betting on the fall of long term rates.

The SICAV has been put into liquidation on May 13, 2024, with effect as of May 14, 2024.

Note: The information in this report is provided for information purposes and is no way indicative of future performance.

Audit report

To the Shareholders of
Candriam M (in liquidation)

Our opinion

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of Candriam M (in liquidation) (the "Fund") and of each of its sub-funds as at 31 December 2023, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

What we have audited

The Fund's annual accounts comprise:

- the statement of net assets as at 31 December 2023;
- the statement of changes in net assets for the year then ended;
- the Investment portfolio as at 31 December 2023; and
- the notes to the annual accounts, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the annual accounts" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts. We have fulfilled our other ethical responsibilities under those ethical requirements.

Emphasis of matter

We draw attention to Note 2 to these annual accounts, which indicates that the Fund has been put into liquidation on 13 May 2024, with effect as of 14 May 2024. These annual accounts have therefore been prepared using a non-going concern basis of accounting. Our opinion is not modified in respect of this matter.

Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the annual accounts and our audit report thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors of the Fund for the annual accounts

The Board of Directors of the Fund is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors of the Fund is responsible for assessing the Fund’s and each of its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Fund or close any of its sub-funds or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund;

- conclude on the appropriateness of the Board of Directors of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's or any of its sub-funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report;

- evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 14 October 2024

Electronically signed by:
Sandra Conniasselle

Sandra Conniasselle

Statement of net assets as at December 31, 2023

		Candriam M Global Trading	Candriam M Impact Finance	Candriam M Multi Strategies
		USD	USD	EUR
Assets				
Investment portfolio at market value	2a	7,913,703	26,827,155	17,514,369
Cash at bank and broker		1,187,864	1,494,538	0
Receivable for investments sold		1,101,372	0	0
Interest and dividends receivable, net		0	457,354	0
Net unrealised appreciation on forward foreign exchange contracts	2e	80,598	385,092	0
Other assets		220,464	10,959	0
Total assets		**10,504,001**	**29,175,098**	**17,514,369**
Liabilities				
Bank overdraft		7,013	0	259,267
Payable on investments purchased		0	6,257	0
Payable on redemptions		5,229,826	1,308,338	6,827,225
Net unrealised depreciation on forward foreign exchange contracts	2e	0	0	76,428
Net unrealised depreciation on swaps	2f	0	253,631	0
Central Administration's fees payable	3	0	28,808	0
Depositary fees payable	3	197	336	203
Liquidation fees payable		21,878	119,508	39,022
Management fees payable	3	35,305	1,183,989	142,988
Operating and Administrative Expenses payable	3	10,650	151,357	24,148
Performance fees payable	4	3,693	361	0
Subscription tax payable	6	420	0	4,056
Other liabilities		28,757	83,431	44,628
Total liabilities		**5,337,739**	**3,136,016**	**7,417,965**
Total net assets		**5,166,262**	**26,039,082**	**10,096,404**

Statement of net assets as at December 31, 2023

		Combined
		EUR
Assets		
Investment portfolio at market value	2a	48,964,021
Cash at bank and broker		2,428,282
Receivable for investments sold		997,033
Interest and dividends receivable, net		414,026
Net unrealised appreciation on forward foreign exchange contracts	2e	421,572
Other assets		209,499
Total assets		**53,434,433**
Liabilities		
Bank overdraft		265,616
Payable on investments purchased		5,664
Payable on redemptions		12,745,990
Net unrealised depreciation on forward foreign exchange contracts	2e	76,428
Net unrealised depreciation on swaps	2f	229,603
Central Administration's fees payable	3	26,079
Depositary fees payable	3	686
Liquidation fees payable		167,014
Management fees payable	3	1,246,771
Operating and Administrative Expenses payable	3	170,807
Performance fees payable	4	3,670
Subscription tax payable	6	4,436
Other liabilities		146,188
Total liabilities		**15,088,952**
Total net assets		**38,345,481**

The accompanying notes form an integral part of the annual report.

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

		Candriam M Global Trading	Candriam M Impact Finance	Candriam M Multi Strategies
		USD	USD	EUR
Net assets at the beginning of the year		**30,691,760**	**35,272,253**	**26,318,720**
Income				
Dividends, net	2i	0	22,324	0
Interest on bonds and money market instruments, net		0	2,253,319	0
Interest received on swaps		0	530,372	0
Bank interest		59,957	71,438	3,387
Other income		2,633	63,270	0
Total income		**62,590**	**2,940,723**	**3,387**
Expenses				
Management fees	3	436,716	1,680,218	446,420
Operating and Administrative Expenses	3	16,276	111,935	21,655
Audit fees	3	32,868	71,554	38,374
Distribution fees	3	0	7,500	0
Depositary fees	3	1,163	1,438	995
Liquidation fees		21,878	119,508	39,022
Subscription tax	6	10,038	0	7,369
Transaction costs	2h	46,578	11,998	753
Interest paid on swaps		0	712,681	0
Bank interest		14,979	4,448	19,029
Other expenses		50,973	167,883	53,501
Total expenses		**631,469**	**2,889,163**	**627,118**
Net income / (loss) from investments		**(568,879)**	**51,560**	**(623,731)**
Net realised gain / (loss) on sales of investments	2b	6,146,707	(14,881)	1,112,398
Net realised gain / (loss) on forward foreign exchange contracts	2e	925,852	714,138	(545,873)
Net realised gain / (loss) on swaps	2f	0	(22,920)	0
Net realised gain / (loss) on foreign exchange		541,878	153,130	(2,390)
Net realised gain / (loss)		**7,045,558**	**881,027**	**(59,596)**
Change in net unrealised appreciation / depreciation on investments	2a	(4,940,687)	(482,133)	(516,737)
Change in net unrealised appreciation / depreciation on forward foreign exchange contracts	2e	(1,387,839)	(784,458)	431,076
Change in net unrealised appreciation / depreciation on swaps	2f	0	(847,277)	0
Net increase / (decrease) in net assets as a result of operations		**717,032**	**(1,232,841)**	**(145,257)**
Evolution of the capital				
Subscriptions of shares		2,163,872	3,500,492	88,832
Redemptions of shares		(28,406,402)	(11,475,945)	(16,165,891)
Dividends distributed	8	0	(24,877)	0
Currency translation		0	0	0
Net assets at the end of the year		**5,166,262**	**26,039,082**	**10,096,404**

The accompanying notes form an integral part of the annual report.

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

		Combined
		EUR
Net assets at the beginning of the year		**88,126,182**
Income		
Dividends, net	2i	20,209
Interest on bonds and money market instruments, net		2,039,849
Interest received on swaps		480,127
Bank interest		122,334
Other income		59,660
Total income		**2,722,179**
Expenses		
Management fees	3	2,362,804
Operating and Administrative Expenses	3	137,720
Audit fees	3	132,903
Distribution fees	3	6,789
Depositary fees	3	3,350
Liquidation fees		167,014
Subscription tax	6	16,456
Transaction costs	2h	53,780
Interest paid on swaps		645,165
Bank interest		36,616
Other expenses		251,623
Total expenses		**3,814,220**
Net income / (loss) from investments		**(1,092,041)**
Net realised gain / (loss) on sales of investments	2b	6,663,320
Net realised gain / (loss) on forward foreign exchange contracts	2e	938,751
Net realised gain / (loss) on swaps	2f	(20,749)
Net realised gain / (loss) on foreign exchange		626,776
Net realised gain / (loss)		**7,116,057**
Change in net unrealised appreciation / depreciation on investments	2a	(5,425,821)
Change in net unrealised appreciation / depreciation on forward foreign exchange contracts	2e	(1,535,427)
Change in net unrealised appreciation / depreciation on swaps	2f	(767,009)
Net increase / (decrease) in net assets as a result of operations		**(612,200)**
Evolution of the capital		
Subscriptions of shares		5,216,577
Redemptions of shares		(52,269,948)
Dividends distributed	8	(22,520)
Currency translation		(2,092,610)
Net assets at the end of the year		**38,345,481**

The accompanying notes form an integral part of the annual report.

Statistics

Candriam M Global Trading

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
Total net assets			**USD**		**5,166,262**	**30,691,760**	**40,147,487**
C	LU1162492513	Capitalisation	USD	944.35	1,102.39	1,083.29	1,073.73
C - EUR - Hedged	LU1162492604	Capitalisation	EUR	2,858.39	1,046.73	1,049.03	1,057.25
I	LU1162493321	Capitalisation	USD	789.57	1,038.74	1,014.32	-

Candriam M Impact Finance

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
Total net assets			**USD**		**26,039,082**	**35,272,253**	**39,557,062**
C	LU2016895976	Capitalisation	USD	75,604.94	101.45	107.83	105.69
C - EUR - Hedged	LU2016896198	Capitalisation	EUR	12,061.22	95.17	103.25	103.17
EPIC C	LU2016896867	Capitalisation	USD	11,043.00	100.30	106.59	104.50
IC	LU2016896438	Capitalisation	USD	5,467.09	1,040.75	1,090.10	1,064.15
IC - EUR - Hedged	LU2016896511	Capitalisation	EUR	4,858.00	977.06	1,044.86	1,039.83
ID - EUR - Hedged	LU2016896784	Distribution	EUR	4,899.03	935.11	1,004.81	1,007.68

Candriam M Multi Strategies

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
Total net assets			**EUR**		**10,096,404**	**26,318,720**	**40,118,282**
C	LU1115383108	Capitalisation	EUR	5,475.59	1,226.33	1,235.29	1,282.29
C - USD - Hedged	LU1115383280	Capitalisation	USD	1,662.93	1,466.38	1,449.94	1,472.95
F	LU1115383520	Capitalisation	EUR	213.86	1,142.36	1,155.62	1,203.30
G	LU1115384098	Capitalisation	EUR	51.17	1,452.45	1,424.70	1,456.33
I	LU1115382639	Capitalisation	EUR	1.20	970.38	968.61	-
I - USD - Hedged	LU1115382712	Capitalisation	USD	1.00	1,003.32	981.61	-
M	LU1115384171	Capitalisation	EUR	302.25	1,461.01	1,458.91	1,498.17
XA	LU1115384411	Capitalisation	EUR	287.00	1,316.41	1,311.79	1,353.04
XA - USD - Hedged	LU1115384502	Capitalisation	USD	24.51	1,530.01	1,494.43	1,514.88

Candriam M Global Trading

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in USD)	% net assets
Undertakings for Collective Investment				
Shares/Units in investment funds				
Cayman Islands				
LMR FUND LTD CL.D USD.RES S.1	9,249	USD	2,222,212	43.01
LMR MULTI STR D RES 98	5,420	USD	553,168	10.71
PHARO MACRO FUND LTD -A- S.01/05/05	189	USD	875,323	16.94
			3,650,703	**70.66**
France				
R-CO COURT TERME C	513	EUR	2,291,461	44.35
			2,291,461	**44.35**
Luxembourg				
CANDRIAM MONEY MARKET EURO Z C	909	EUR	1,093,019	21.16
PICTET SICAV USD SOV LQTY -I- CAP	7,498	USD	878,520	17.00
			1,971,539	**38.16**
Total Shares/Units in investment funds			**7,913,703**	**153.18**
Total Undertakings for Collective Investment			**7,913,703**	**153.18**
Total investment portfolio			**7,913,703**	**153.18**
Acquisition cost			7,402,456	

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

Candriam M Global Trading

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

Geographical breakdown (in % of net assets)	
Cayman Islands	70.66
France	44.35
Luxembourg	38.16
	153.18

Economic breakdown (in % of net assets)	
Investments funds	153.18
	153.18

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

Candriam M Impact Finance

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in USD)	% net assets
Other transferable securities				
Bonds				
Bolivia				
7848 DIACONIA 6.25 21.24 29/11S	500,000	USD	500,000	1.92
			500,000	**1.92**
Bosnia and Herzegovina				
8812 MIKRA MKF 5.5 22-25 30/12S	500,000	EUR	552,325	2.12
			552,325	**2.12**
Cambodia				
6810 SATHAPANA 9.20 20-27 01/10S	400,000	USD	195,451	0.75
8674 AMRET 6.5 22-25 21/11S	750,000	USD	750,000	2.88
			945,451	**3.63**
Colombia				
8934 HIPOTECARIA COL 15.50 23-25 28/02S	3,648,750,000	COP	941,855	3.62
			941,855	**3.62**
Ecuador				
8080 BANCO SOLIDARIO 6.15 22-26 25/03S	500,000	USD	500,000	1.92
			500,000	**1.92**
France				
7979 BAOBAB PLUS 6.00 22-25 20/05S	500,000	EUR	552,325	2.12
8702 BAOBAB GROUP 5.00 22-24 13/12S	500,000	EUR	552,325	2.12
			1,104,650	**4.24**
Germany				
8717 ACCESS GROUP 5.0 22-25 18/11S	650,000	EUR	718,023	2.76
			718,023	**2.76**
Indonesia				
INDOSURYA S6000 6.25 19-24 29/02S	199,798	USD	19,980	0.08
			19,980	**0.08**
Kyrgyz Republic				
8932 ELET CAPITAL 18.50 23-25 20/03S	43,710,000	KGS	490,653	1.88
			490,653	**1.88**
Luxembourg				
8838 FINKA KOSSOVO 5.5 22-25 23/12S	500,000	EUR	552,325	2.12
8918 ADVANS GROUP 5.85 23-25 08/03S	500,000	EUR	552,325	2.12
CANDRIAM M IMPACT FI 10.50 22-24 23/02S	25,735,000	PHP	464,740	1.78
EVN FINANCE 4.2 21-25 11/06S	750,000	USD	750,000	2.88
MICRO SMALL AND MED EN 6.75 22-25 16/01S	2,564,995	CNH	360,220	1.38
MICRO SMALL AND MED EN 7.9 22-25 14/05S	262,418	USD	262,418	1.01
MICRO SMALL AND MEDI 10.35 23-26 16/04S	24,660,000	INR	296,345	1.14
MICRO SMALL AND MEDIUM 10.5 21-29 30/09U	1,892,445,000	COP	488,499	1.88
MICRO SMALL MEDI EN 10.5 23-25 03/04A	3,773,500,000	IDR	245,080	0.94
MICRO SMALL MEDI ENT 5.5 22-27 08/12M	350,000	USD	314,995	1.21
MICRO SMALL MEDI ENT 8.9 23-25 03/04S	250,000	USD	250,000	0.96
MICRO SMALL MEDIUM 4.65 20-99 31/12S	450,000	EUR	86,020	0.33
MICRO SMALL MEDIUM 5.9 21-24 30/12S	250,000	USD	250,000	0.96
MICRO SMALL SERIE 355 4.40 21-24 23/12S	500,000	USD	500,000	1.92
MSME SERIE 328 5.15 21-25 10/12S	300,000	USD	300,000	1.15
MSME SERIE 329 6.30 21-24 16/12S	500,000	USD	500,000	1.92
MSME SERIES 215 11.90 20-24 12/02S	1,583,349	MXN	93,498	0.36
MSME SERIES 233 4.40 20-24 06/08S	1,000,000	USD	1,000,000	3.84
TerraPay 5.4 21-24 15/07S	375,000	USD	375,000	1.44
Wave 8.5 22-26 18/03Q	273,294	EUR	301,895	1.16
			7,943,360	**30.51**
Mauritius				
7557 PLATCORP GROUP 8.00 21-24 26/07S	166,700	USD	166,700	0.64
			166,700	**0.64**
Mexico				
8780 BAYPORT MEXICO 14.7 22-25 22/12S	10,000,000	MXN	590,510	2.27
			590,510	**2.27**

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

Candriam M Impact Finance

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in USD)	% net assets
Myanmar				
PROXIMITY 16.00 20-23 18/12S	1,041,150,000	MMK	0	0.00
			0	**0.00**
Panama				
6805 LA HIPOTECARIA 4.7 20-24 20/08S	500,000	USD	500,000	1.92
CFE PANAMA 6.3 19-24 12/31S	154,490	USD	46,025	0.18
			546,025	**2.10**
Paraguay				
8860 BANCO RIO 7.00 22-26 23/12S	750,000	USD	712,449	2.74
			712,449	**2.74**
Peru				
9194 NORANDINO 12.00 23-25 30/06S	1,816,900	PEN	490,706	1.88
			490,706	**1.88**
Romania				
7898 ROCREDIT 4.5 22-25 21/01S	400,000	EUR	441,860	1.70
8914 VITAS ROMANIA 6.00 23-26 20/02S	500,000	EUR	552,325	2.12
			994,185	**3.82**
Tajikistan				
8920 FURUZ 8.25 23-25 28/02S	500,000	USD	500,000	1.92
			500,000	**1.92**
Uzbekistan				
7801 HAMKORBANK 4.0 21-24 27/10S	500,000	USD	500,000	1.92
8788 IPAK YULI BANK 20.25 22-24 21/12S	7,900,326,000	UZS	640,285	2.46
8897 DAVR BANK 20.50 23-25 27/02S	7,369,758,500	UZS	597,285	2.29
			1,737,570	**6.67**
Total bonds			**19,454,442**	**74.71**
Floating rate notes				
Luxembourg				
Access Bank Plc FL.R 20-30 23/10Q	600,000	USD	538,978	2.07
MICR SMAL FL.R 22-26 04/03S	300,000	USD	300,000	1.15
MICRO SMALL AND MEDI FL.R 21-26 15/01S	361,083	USD	361,083	1.39
MICRO SMALL MED ENTER FL.R 22-26 29/10Q	8,000,000	ZAR	128,425	0.49
MSME FL.R 22-25 08/12S	500,000	USD	500,000	1.92
MSME FL.R 22-26 22/12S	350,000	USD	350,000	1.34
MSME SERIE 80 FL.R 17-24 07/05S	500,000	USD	500,000	1.92
			2,678,486	**10.29**
Pakistan				
6881 KAHF FOUNDATION FL.R 21-24 30/11S	500,000	USD	500,000	1.92
			500,000	**1.92**
Romania				
8829 AGRICOVER CRE I FL.R 23-26 10/02S	500,000	EUR	552,325	2.12
			552,325	**2.12**
Total floating rate notes			**3,730,811**	**14.33**
Total Other transferable securities			**23,185,253**	**89.04**
Undertakings for Collective Investment				
Shares/Units in investment funds				
Luxembourg				
CANDRIAM MONEY MARKET USD SUSTAINABLE Z C	3,049	USD	3,641,902	13.99
			3,641,902	**13.99**
Total Shares/Units in investment funds			**3,641,902**	**13.99**
Total Undertakings for Collective Investment			**3,641,902**	**13.99**
Total investment portfolio			**26,827,155**	**103.03**
Acquisition cost			28,682,830	

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

Candriam M Impact Finance

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

Geographical breakdown (in % of net assets)	
Luxembourg	54.78
Uzbekistan	6.67
Romania	5.94
France	4.24
Cambodia	3.63
Colombia	3.62
Germany	2.76
Paraguay	2.74
Mexico	2.27
Bosnia and Herzegovina	2.12
Panama	2.10
Bolivia	1.92
Ecuador	1.92
Pakistan	1.92
Tajikistan	1.92
Kyrgyz Republic	1.88
Peru	1.88
Mauritius	0.64
Indonesia	0.08
Myanmar	0.00
	103.03

Economic breakdown (in % of net assets)	
Banks and other financial institutions	59.31
Non classificable Institutions	22.75
Investments funds	13.99
Miscellaneous services	2.74
Agriculture and fishery	2.12
Environmental services and recycling	2.12
	103.03

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

Candriam M Multi Strategies

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
Undertakings for Collective Investment				
Shares/Units in investment funds				
Luxembourg				
CANDRIAM WORLD ALTER ALPHAMAX Z2 EUR C	11,166	EUR	17,514,369	173.47
			17,514,369	**173.47**
Total Shares/Units in investment funds			**17,514,369**	**173.47**
Total Undertakings for Collective Investment			**17,514,369**	**173.47**
Total investment portfolio			**17,514,369**	**173.47**
Acquisition cost			16,749,369	

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

Candriam M Multi Strategies

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

Geographical breakdown (in % of net assets)	
Luxembourg	173.47
	173.47

Economic breakdown (in % of net assets)	
Investments funds	173.47
	173.47

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

Notes to the annual report - Schedule of derivative instruments

Forward Exchange Contracts

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

Candriam M Impact Finance

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Counterparty	Unrealised (in USD)
EUR	11,418,700	USD	12,167,159	31/01/2024	CACEIS Bank, Lux. Branch	461,695
USD	12,410	CNH	87,280	30/01/2024	CACEIS Bank, Lux. Branch	129
USD	396,064	CNH	2,748,093	26/07/2024	CACEIS Bank, Lux. Branch	4,563
USD	241,395	EUR	209,000	22/01/2024	MFX Solutions	10,334
USD	33,553	EUR	31,250	20/05/2024	MFX Solutions	(1,160)
USD	5,229	EUR	4,500	22/07/2024	MFX Solutions	216
USD	364,455	EUR	341,250	18/11/2024	MFX Solutions	(17,526)
USD	16,320	EUR	15,000	20/11/2024	MFX Solutions	(483)
USD	239,265	EUR	204,500	21/01/2025	MFX Solutions	9,504
USD	8,694	EUR	8,125	19/05/2025	MFX Solutions	(472)
USD	561,865	EUR	515,000	20/05/2025	MFX Solutions	(19,821)
USD	356,444	EUR	333,125	18/11/2025	MFX Solutions	(22,164)
USD	641,472	EUR	583,388	09/02/2024	CACEIS Bank, Lux. Branch	(3,954)
USD	610,141	EUR	559,917	20/02/2024	CACEIS Bank, Lux. Branch	(9,552)
USD	191,368	EUR	172,770	31/01/2024	CACEIS Bank, Lux. Branch	287
USD	588,942	EUR	527,424	20/12/2024	CACEIS Bank, Lux. Branch	(2,705)
USD	15,319	EUR	13,826	24/06/2024	CACEIS Bank, Lux. Branch	(63)
USD	15,413	EUR	13,750	01/07/2024	CACEIS Bank, Lux. Branch	110
USD	596,041	EUR	527,424	27/12/2024	CACEIS Bank, Lux. Branch	4,082
USD	73,152	MXN	1,724,280	15/02/2024	Citibank N.A. London	(27,928)
						385,092

Candriam M Global Trading

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Counterparty	Unrealised (in USD)
EUR	6,021,000	USD	6,586,914	29/02/2024	CACEIS Bank, Lux. Branch	79,255
USD	3,336,091	EUR	3,012,000	29/02/2024	CACEIS Bank, Lux. Branch	1,343
						80,598

Candriam M Multi Strategies

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Counterparty	Unrealised (in EUR)
EUR	3,941,008	USD	4,365,060	29/02/2024	CACEIS Bank, Lux. Branch	(1,594)
USD	6,866,750	EUR	6,277,003	29/02/2024	CACEIS Bank, Lux. Branch	(74,834)
						(76,428)

Please refer to Note 7 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 annual report - Schedule of derivative instruments

Cross-Currency Swap

As at December 31, 2023, the following cross-currency swaps were outstanding

Candriam M Impact Finance

Payable			Receivable					
Currency	**Notional**	**Rate payable (in %)**	**Currency**	**Notional**	**Rate receivable (in %)**	**Maturity date**	**Counterparty**	**Unrealised (in USD)**
COP	(1,892,445,000)	10.90	USD	500,000	4.70	11/10/2024	MFX Solutions	11,687
PHP	(25,735,000)	10.50	USD	500,000	6.84	23/02/2024	MFX Solutions	27,837
ZAR	(8,000,000)	8.39	USD	441,696	5.38	26/10/2026	MFX Solutions	2,284
UZS	(7,900,326,000)	20.25	USD	700,000	5.25	21/12/2024	MFX Solutions	58,542
MXN	(10,000,000)	14.70	USD	504,337	5.25	22/12/2025	MFX Solutions	(88,100)
EUR	(500,000)	5.00	USD	526,500	6.45	13/12/2024	MFX Solutions	(25,462)
EUR	(500,000)	5.85	USD	534,300	6.76	08/03/2025	MFX Solutions	(19,559)
UZS	(7,369,758,500)	20.50	USD	650,000	8.10	27/02/2025	MFX Solutions	35,661
COP	(3,648,750,000)	15.50	USD	750,000	6.70	28/02/2025	MFX Solutions	(238,416)
KGS	(43,710,000)	18.50	USD	500,000	7.35	20/03/2025	MFX Solutions	(12,498)
IDR	(3,773,500,000)	10.50	USD	250,000	7.40	03/04/2025	MFX Solutions	(1,736)
INR	(24,660,000)	10.35	USD	300,512	6.00	18/04/2026	MFX Solutions	(5,749)
EUR	(273,294)	8.50	USD	298,547	9.10	18/06/2026	MFX Solutions	(7,471)
PEN	(1,816,900)	12.00	USD	500,000	9.95	30/06/2025	MFX Solutions	9,350
								(253,631)

Please refer to Note 7 for collateral received/posted in relation with cross-currency swaps.

Other notes to the annual report

Note 1 - General Information

Candriam M (In liquidation) (hereinafter the “SICAV”) is an open-ended investment company organised as a Société Anonyme under Part II of the Law of 17 December 2010, as amended regarding undertakings for collective investment and is qualified as a *“Société d’Investissement à Capital Variable*” (SICAV).

The SICAV has been initially incorporated in Bermuda on July 25, 1996. It was established in Luxembourg on January 2, 2008 for an unlimited period, in accordance with the legislation of the Grand Duchy of Luxembourg. The SICAV is recorded in the Luxembourg “*Registre de Commerce*” under the number R.C.S. Luxembourg B 135 265.

The following sub-funds were available to investors at year end:

Sub-funds	Reference currency
Impact Finance	USD
Global Trading*	USD
Multi Strategies	EUR

* As at September 1st, 2023, the Board of Directors decided to liquidate the sub-fund Candriam M Global Trading with immediate effect.
As at December 31, 2023, all the hedge funds positions have been sold and the cash has been re-invested in money market funds until the liquidation of the SICAV.
The sub-fund has been removed from the new prospectus dated September 1st, 2023.

Candriam M Multi Strategies act as a Feeder and invest substantially all of its assets in Z2 EUR units of “Candriam World Alternative Alphamax” (the “Master Fund”) or any other unit with equivalent or lower management fees. The Management Fees of the Z2 EUR units of the Master Fund is 0.00% per annum of the net assets.

The Master Fund is an AIF sub-fund of the SICAV Candriam World Alternative which is registered on the official list of undertakings for collective investment (hereinafter "UCIs") pursuant to the part II of the Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended, and its implementing provisions.

The Master Fund focuses on strategies such as market neutral and event driven strategies (merger arbitrage, etc.), convertible bond arbitrage, long/short equity, global macro and managed futures, and fixed-income securities arbitrage strategies.

As at December 31, 2023, the Sub-fund held 9.16% of the Master Fund.

The SICAV has been put into liquidation on May 13, 2024, with effect as of May 14, 2024. Thus, the annual report been prepared under non-going concern basis of accounting.

The SICAV is designed to offer investors, within the same investment vehicle, a choice between several sub-funds, which are managed separately and are distinguished principally by their specific investment policy and strategy.

The SICAV offers investors a choice between one or more Classes of Shares in several sub-funds. In each sub-fund, the SICAV may issue registered shares in different categories, with different rights and commissions or distribution policies.

The shares are only available in registered form. The issued share classes are the following:

- The **C class** is available to all eligible subscribers.
- The **D class** is available to both individuals and legal entities.
- The **F class** is available to all eligible subscribers.
- The **G class** may only be subscribed by UCITS, UCI or accounts managed or advised by an entity of Candriam group or any other legal entity approved by the Management Company.
- The **I class** is only available to Institutional Investors.
- The **IC class** is only available to Institutional Investors.
- The **ID class** is only available to institutional investors.
- The **M class** may only be subscribed by (i) UCITS, UCI or accounts managed or advised by an entity of the Candriam group and (ii) persons who are, at the time of subscription, employees or corporate officers of Rothschild & Co group.
- The **XA class**, that is currently not available for subscription by new investors.
- The **Epic C class** is available to all eligible subscribers.

The SICAV aims to provide the shareholders, through the available sub-funds, with an ideal investment vehicle that pursues a specific management objective, taking into account the degree of risk which the investor is willing to accept.

Other notes to the annual report

Note 1 - General Information (continued)

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.

The shares issued are described in detail in the section "Changes in the number of shares outstanding for the year" 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.

Note 2 - Principal accounting policies

The SICAV has been put into liquidation on May 13, 2024, with effect as of May 14, 2024. Thus the annual report of the SICAV is prepared in accordance with Luxembourg legal and regulatory requirements relating to investment funds under non-going concern basis of accounting.

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

Non-going concern basis of accounting

As the annual report is prepared on a non-going concern basis, the following accounting policies differ from those described in the notes a) through j):

. Expected liquidation fees have been accrued for;

. Any remaining formation expenses have been fully expensed, if any;

. The valuation of the sub-Funds' investments is based on their net realisable value.

Regarding the private loans held in Candriam M Impact Finance portfolio, the valuation policy is the following :

- For loans maturing within less than two years, valuation is made at par plus accrued interests as it is expected that these loans will be kept until maturity.

- For loans whose maturity is longer than two years, they are valued using expected price offered on the secondary market

- For distressed loans, probable recovery rate is used, taking into account their creditworthiness and geopolitical risk factors.

As a result of the application of above accounting policies, the net asset value of the sub-Funds differs from their published net asset values as of 31 December 2023 as follows:

Candriam M Global Trading	**USD**
Published NAV	**5,229,939**
Liquidation fees	(21,878)
Fees accruals	(41,798)
Valuation adjustments	-
NAV on a non-going concern basis	**5,166,262**

Candriam M Impact Finance	**USD**
Published NAV	**28,105,676**
Liquidation fees	(119,508)
Fees accruals	(1,370,236)
Valuation adjustments	(576,850)
NAV on a non-going concern basis	**26,039,082**

Other notes to the annual report

Note 2 - Principal accounting policies (continued)

Candriam M Multi Strategies	EUR
Published NAV	**10,304,252**
Liquidation fees	(39,022)
Fees accruals	(168,825)
Valuation adjustments	-
NAV on a non-going concern basis	**10,096,404**

a) Valuation of each sub-fund's portfolio

Securities listed on a recognised stock exchange or dealt in on another regulated market that operates regularly, is recognised and is open to the public, are valued at their latest available closing prices, or, in the event that there should be several such markets, on the basis of their last latest available closing prices on the main market for the relevant security.

In valuing the sub-Funds' holdings in underlying funds, the SICAV will need to rely primarily on unaudited financial information provided or reported by the underlying funds, their agents and/or market-makers.

If financial information used by any underlying fund to determine the value of its own securities is incomplete, inaccurate, or if such valuation does not adequately reflect the value of the underlying fund's holding, the net asset value per share of each class of the relevant sub-Funds within the SICAV may be adversely affected.

The Directors may establish reserves which will reduce the net asset value per share until such reserves are reversed. The SICAV has no control over the valuation methods and accounting rules used by each underlying fund.

For non-quoted securities or securities not traded or dealt in on any stock exchange or other regulated market, as well as quoted or non-quoted securities on such other market for which no valuation price is available, or securities for which the quoted prices are, in the opinion of the Directors, not representative of the fair market value, the value thereof shall be determined prudently and in good faith by the Directors on the basis of foreseeable sales prices.

Securities issued by any open-ended underlying funds shall be valued at their last available price or net asset value, as reported or provided by the underlying funds, the Submanagers or their agents.

In addition, the calculation of the Net Asset Value per Share of each Class may be made on the basis of the net asset values for Underlying Funds, which may be estimated in the event that no published net asset value is available for such Underlying Fund.

Gains or losses arising on the disposal of investments are calculated by reference to the net sales proceeds and the average cost attributable to those investments.

Debt instruments (including those with specific emphasis on to Microfinance Institutions) not listed or dealt in on any stock exchange or any other regulated market that operates regularly, will be valued at the amortized cost value. Such value will be adjusted, if appropriate, to reflect e.g. major fluctuations in interest rates in the relevant markets or the appraisal of the Board or any of its agents on the creditworthiness of the relevant debt instrument. The Board will use its best endeavors to continually assess this method of valuation and recommend changes, where necessary, to ensure that debt instruments will be valued at their fair value as determined in good faith by the Board. If the Board believes that a deviation from this method of valuation may result in material dilution or other unfair results to Shareholders, the Board will take such corrective action, if any, as it deems appropriate to eliminate or reduce, to the extent reasonably practicable, the dilution or unfair results.

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.

Exchange rates used as at December 31, 2023:

1 EUR =	7.865800	CNH	1 EUR =	91.922050	INR	1 EUR =	18.706700	MXN	1 EUR =	1.104650	USD
1 EUR =	4279.414608	COP	1 EUR =	98.401224	KGS	1 EUR =	4.090100	PEN	1 EUR =	13632.546108	UZS
1 EUR =	17008.296350	IDR	1 EUR =	2314.131967	MMK	1 EUR =	61.291800	PHP	1 EUR =	20.201300	ZAR

Other notes to the annual report

Note 2 - Principal accounting policies (continued)

d) Combined annual report 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 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 annual report - Schedule of derivative instruments".

f) Valuation of Cross Currency Swaps

A cross currency swap is a bilateral agreement in which each party agree to exchange two different currencies with an agreement to reverse the exchange at a later date at the same exchange rates. During the life of the swap, each party pays interest (in the currency of the principal received) to the other.
For the details of outstanding Cross Currency Swaps, if any, please refer to the section “Notes to the annual report - Schedule of derivative instruments”.

g) Formation expenses

Charges relating to the creation of a new sub-fund or Share Class may be written off over a period not exceeding 5 years against the assets of that sub-fund or Share Class. Creation expenses will be amortised over a maximum period of 5 years on a non-linear basis. In the event that the Net Asset Value of the sub-fund will increase more rapidly than foreseen, the depreciation period will be shortened pro-rata.

h) 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".

i) 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 recognized on ex-date.

j) Abbreviations used in investment portfolios

A: Annual
FL.R: Floating Rate
Q: Quarterly
S: Semi-Annual

Note 3 - TER (Total Expense Ratio)

The total amount of charges and expenses paid annually by each sub-fund, other than expenses relating to the creation or liquidation of any sub-fund or Share Class ("Total Expense Ratio" or "TER") shall not exceed some percentage of each sub-fund’s Net Asset Value. The Total Expense Ratio, by Share Class, does include fees payable to:

- The Management Company (including fees paid to the Investment Manager, the Distributors, the Central Administration Agent, the Corporate Agent, the Domiciliary, Registrar and Transfer Agent);
- The Depositary;
- Independent Auditors;
- Legal advisers.

The TER also include administrative expenses, such as registration fees, insurance coverage, fees for reporting and the costs relating to the translation and printing of this Prospectus and reports to Shareholders.

The Management Company pays the Sub-Funds’ Investment Advisors (if any) or Investment Managers (and their sub-delegates if any) and distributors ("Investment Management Fees"), Central Administration Agent, Registrar and Transfer Agent, out of the fees it receives from the Fund. The maximum level of Investment Management fees paid by the Management Company to the Investment Advisors or Investment Managers (and their sub-delegates if any) and distributors is indicated in the table below.

The Total Expense Ratio by Share Class, as indicated in each sub-funds, does not include the indirect fees, the indirect performance fees or other costs of the Underlying Funds.

The annual Total Expense Ratio has been respected but the amounts of the fees disclosed in the annual report are higher as the take into account the provision linked to the liquidation.

Other notes to the annual report

Note 3 - TER (Total Expense Ratio) (continued)

The management fees of the sub-fund Candriam M Impact Finance are accrued until June 2026 due to liquidation process of the portfolio.

As of December 31, 2023, the total expense ratio for each sub-funds applicable is indicated in the table below:

Sub-funds	Share class	Share type	ISIN	TER Max (per annum)	Maximum Investment Management fees included in the TER
Candriam M Global Trading	C	Capitalisation	LU1162492513	1.65%	1.50%
	C - EUR - Hedged	Capitalisation	LU1162492604	1.65%	1.50%
	I	Capitalisation	LU1162493321	1.15%	1.00%
Candriam M Impact Finance	C	Capitalisation	LU2016895976	2.15%	2.00%
	C - EUR - Hedged	Capitalisation	LU2016896198	2.15%	2.00%
	EPIC C	Capitalisation	LU2016896867	2.15%	2.00%
	IC	Capitalisation	LU2016896438	1.75%	1.60%
	IC - EUR - Hedged	Capitalisation	LU2016896511	1.75%	1.60%
	ID - EUR - Hedged	Distribution	LU2016896784	1.75%	1.60%
Candriam M Multi Strategies*	C	Capitalisation	LU1115383108	1.55%	-
	C - USD - Hedged	Capitalisation	LU1115383280	1.55%	-
	F	Capitalisation	LU1115383520	1.85%	-
	G	Capitalisation	LU1115384098	0.05%	-
	I	Capitalisation	LU1115382639	1.05%	-
	I - USD - Hedged	Capitalisation	LU1115382712	1.05%	-
	M	Capitalisation	LU1115384171	1.05%	-
	XA	Capitalisation	LU1115384411	0.90%	-
	XA - USD - Hedged	Capitalisation	LU1115384502	0.90%	-

* No Investment Management Fee shall be paid.

The table hereafter reflects the maximum Management fee’s annual rate applied to UCITS invested into by CANDRIAM M (In liquidation) different sub-funds as at December 31, 2023.

Target fund	Maximum rate
CANDRIAM MONEY MARKET EURO AAA Z C	0.00%
CANDRIAM MONEY MARKET USD SUSTAINABLE Z C	0.00%
CANDRIAM WORLD ALTER ALPHAMAX Z2 EUR C	0.00%
LMR FUND LTD CL.D USD.RES S.1	2.00%
LMR MULTI STR D RES 98	2.00%
PHARO MACRO FUND LTD -A- S.01/05/05	2.00%
PICTET SICAV USD SOV LQTY -I- CAP	0.20%
R-CO COURT TERME C	0.50%

Note 4 - Performance fees

The Management Company may be entitled to an outperformance fee based on the outperformance of the net asset value (NAV) per share in relation to a reference indicator. The related share classes are subject to the “Permanent HWM” (high water mark) model, which description is further detailed in the prospectus in for force.

Any positive outperformance fee is crystallised, i.e. payable to the Management Company:

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

Candriam M Global Trading

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	USD	5.00%	0	0.00%
C - EUR - Hedged	Capitalisation	EUR	5.00%	0	0.00%
No performance fee was charged during the year ended December 31, 2023.					

Candriam M Impact Finance

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
EPIC C	Capitalisation	USD	20.00%	0	0.00%
No performance fee was charged during the year ended December 31, 2023.					

Candriam M Multi Strategies

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	5.00%	0	0.00%
C - USD - Hedged	Capitalisation	USD	5.00%	0	0.00%
F	Capitalisation	EUR	5.00%	0	0.00%
No performance fee was charged during the year ended December 31, 2023.					

Other notes to the annual report

Note 5 - Overdraft facility

The SICAV contracted an uncommitted multicurrency overdraft facility agreement. Under that uncommitted agreement the SICAV may borrow the lesser of USD 100 million or 10% of the net asset value of assets under custody.

In addition, the SICAV has a foreign exchange facility amounting to 100% of the net asset value of assets under custody.

No overdraft facility was charged to the sub-funds for the year under review.

Note 6 - 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 assets 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.

Note 7 - Collateral

In relation with the OTC derivative instruments, cash collateral has been provided to and received from CACEIS Bank, Luxembourg Branch, MFX Solutions amounting to:

Sub-funds	Currency	Cash Collateral Posted	Cash Collateral held
Candriam M Impact Finance	USD	(300,000)	270,000

Note 8 - Dividends

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

Sub-funds	Share class	Currency	Dividend	Ex-date
Candriam M Impact Finance	ID - EUR - Hedged	EUR	4.80	31/10/2023

Notes 9 - 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 10 - Significant event during the year

On December 15, 2022, the Board of Directors of the SICAV has decided to amend the Prospectus as per below changes:

- For Candriam M Multi Strategies, with effect March 31, 2023:
  - Replacement of the Master Fund from Candriam MM Multi Strategies to Candriam World Alternative Alphamax. The investment objective of the SICAV is amended; as such, the Sub-Fund will invest the majority of its net assets in units of "Candriam World Alternative Alphamax" (the "Master Fund").
  - Modification of the applicable subscription / redemption cut-offs.

- For Candriam M Impact Finance, with effect January 1, 2023:
  - Change of the denomination of the Investment Manager to Symbiotics Asset Management (previously Symbiotics S.A.).
  - The Sub-Fund is going to contribute to SDG 2 – Zero Hunger, SDG 7 – Affordable and Clean Energy and SDG 11 – Sustainable Cities and Communities (instead of SDGs 1 – No Poverty, SDG 5 – Gender Equality, SDG 8 – Decent Work and Economic Growth and SDG 10 – Reduced inequalities).

Note 11 - Subsequent events

The Extraordinary General Meeting held on May 13, 2024 has decided to dissolve and put the SICAV into liquidation with effect as of May 14, 2024.

<u>Candriam M Impact Finance - New workouts in 2024:</u>

Diaconia (Bolivia)
Due to the political situation in Bolivia deteriorating in 2024, all MFIs have difficulties getting and transferring USD out of the country.
While Diaconia has managed to open a bank account in Germany and received fresh money in April 2024, which allowed to partially repay international lenders (among which the fund), they may not manage to secure fresh USD to pay the remaining balance when it will be due. Considering these elements, Candriam Valuation Committee has decided to apply a 30%-discount on the remaining balance on April NAV, which would have represented an impact of 0.29% on AUM as of 31/12/2023.

Other notes to the annual report

Note 11 - Subsequent events (continued)

Bayport Mexico
The mother company, Bayport Holdings announced a restructuring process at the end May 2024. The support from the holding to its affiliates is very limited and this will further impact the scare liquidity of Bayport Mexico, since they have been relying on some fresh loan from their shareholder. Considering these elements, Candriam Valuation Committee has decided to apply a 40%-discount on the remaining exposure on liquidated NAV on May 13th, 2024, which would have represented an impact of 0.79% on AUM as of 31/12/2023.

Bayport Colombia
The mother company, Bayport Holdings announced a restructuring process at the end May 2024. The support from the holding to its affiliates is very limited and this will further impact the scare liquidity of Bayport Colombia, since they have been relying on some fresh loan from their shareholder. Considering these elements, Candriam Valuation Committee has decided to apply a 40%-discount on the remaining exposure on liquidated NAV on May 13th, 2024, which would have represented an impact of 0.70% on AUM as of 31/12/2023.

Additional unaudited information

AIF Directives

According to the AIF directives, please find here below the split between the realised gains and realised loss and the split between the unrealised appreciations and unrealised depreciations.

Sub-funds	Currency	Realised gain on sales of investments	Realised loss on sales of investments	Change in unrealized appreciation on investments	Change in unrealized depreciation on investments
Candriam M Global Trading	USD	7,388,411	(1,241,704)	1,016,490	(5,957,177)
Candriam M Impact Finance	EUR	111,996	(126,877)	1,064,282	(1,546,415)
Candriam M Multi Strategies	USD	1,112,398	-	765,000	(1,281,737)

Sub-funds	Currency	Realised gain on forward foreign exchange	Realised loss on forward foreign exchange	Change in unrealized appreciation on forward foreign exchange	Change in unrealized depreciation on forward foreign exchange
Candriam M Global Trading	USD	2,395,954	(1,470,102)	97,782	(1,485,621)
Candriam M Impact Finance	EUR	1,691,100	(976,962)	495,603	(1,280,061)
Candriam M Multi Strategies	USD	259,447	(805,320)	510,669	(79,593)

Sub-funds	Currency	Realised gain on swaps	Realised loss on swaps	Change in unrealized appreciation on swaps	Change in unrealized depreciation on swaps
Candriam M Impact Finance	USD	-	(22,920)	136,856	(984,133)

Additional unaudited information

Global Risk Exposure

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

The Board of Directors of the SICAV has chosen to adopt the commitment approach as the method for determining overall risk for all the sub-funds of the SICAV.

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 (EU) N°648/2012

The Fund does not use any instruments falling into the scope of “SFTR”.

Information for investors in the Federal Republic of Germany

For the following sub-fund, no notification pursuant to section 323 of the Investment Code has been filed and the shares of this sub-fund may not be marketed to investors within the jurisdiction of the Investment Code (section 293 (1) no. 3):

- Candriam M Multi Strategies

Notwithstanding the information provided under the Section “SHARES” & “INVESTMENT OBJECTIVE, POLICY, STRATEGY AND RESTRICTIONS” of this prospectus, the passport to market shares of Candriam M (In liquidation) towards investors in Germany is currently limited to marketing towards professional investors as defined in Section 1 para. 19 no. 32 of the German Capital Investment Act (KAGB)

Sustainable Finance Disclosure Regulation (SFDR)

Candriam M Global Trading, Candriam M Multi Strategies

In the frame of the SFDR regulation, the above-mentioned sub-funds are subject to the article 6 of the regulation.

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

The investments underlying of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

ANNEX V

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

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

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

Product name: Candriam M - Impact Finance

Legal entity identifier: 549300IDZ37RXRFFFS94

Sustainable investment objective

Did this financial product have a sustainable investment objective?

■ **Yes**	☐ **No**
■ It made **sustainable investments with an environmental objective: 10.8%** ☐ 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 **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☐ with a social objective
■ It made **sustainable investments with a social objective: 75.9%**	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent was the sustainable investment objective of this financial product met?

Candriam M - Impact Finance (the "Fund") pursues its Sustainable Investment Objective by actively contributing to United Nations Sustainable Development Goals 1,2,5,7,8 and 11, as described below. For more information on the sustainable investment objectives of the Fund, please refer to the Fund's Annex III. The share of investments that contributed to these SDGs is reported in the following section.

SUSTAINABLE DEVELOPMENT GOALS	How did the Fund contribute to the main SDGs targeted?
1 NO POVERTY	Ensuring that low-income individuals have access to financial services, including microfinance and savings products while investing in Investees whose funds are mostly serving small loans for microenterprises, household needs, housing or education. This contributed to SDG **Target 1.4**: "By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance."
2 ZERO HUNGER	Providing small-scale food producers access to productive resources through financial services and products, while investing in Investees whose funds go in majority to a small-scale agriculture loan portfolio, or to a non-financial investee active mainly in small-scale agriculture. This contributed to SDG **Target 2.3**: “By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment." Contributing to ensure sustainable food production systems by investing in Financial Institutions or companies specialized in agriculture production, and whose funds are mostly financing larger farming/food producing organizations using sustainable practices. **Target 2.4: “**By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.
5 GENDER EQUALITY	Providing women with equal access to economic resources and opportunities, while investing in Investees whose funds go in their vast majority to a loan portfolio of women borrowers. (i.e., showing that the investee is making significant efforts to ensure women are not discriminated against). This contributed to SDG **Target 5.1**: “End all forms of discrimination against all women and girls everywhere.”

7 AFFORDABLE AND CLEAN ENERGY	Ensuring universal access to affordable, reliable and modern energy service while investing in Investees whose funds in majority finance access to clean energy to low-income households. This contributed to **Target 7.1**: "By 2030, ensure universal access to affordable, reliable and modern energy services." Increasing the share of renewable energy while investing in companies active in the sustainable energy space in emerging markets. This contributed to **Target 7.2** “Increasing the share of renewable energy.”
8 DECENT WORK AND ECONOMIC GROWTH	Strengthening the capacity of domestic financial institutions to expand access to banking and financial services for all and encouraging the growth of SMEs, while investing in Investees whose Funds go in majority to a loan portfolio of MSME loans. This contributed to **Target 8.3**: “Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.”
11 SUSTAINABLE CITIES AND COMMUNITIES	Ensuring access to adequate, safe and affordable housing and basic services, while investing, usually through Green, Social and Sustainability Bonds, in a majority of assets that are either green buildings, affordable housing, public transportation systems, green vehicles or while directly financing a company that is active in one of these sectors. This either contributed to **Target 11.1**: "By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums." Ensuring access to safe, affordable and sustainable transport systems for all. **Target 11.2:** "By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons."

For FY 2023, additional SDGs not specifically targeted by the Fund were addressed through a small share of the investments, still in line with the overall mission of the Fund, as shown in the table below:

SUSTAINABLE DEVELOPMENT GOALS	How did the Fund contribute to the other SDGs reached?
4 QUALITY EDUCATION	Ensuring equal access for all women and men to affordable and quality education, while investing in Investees whose funds go in majority to an education loan portfolio (i.e. loans dedicated to finance school tuition fees) or when the Funds go to an investee that offers or supports the development of education services. This contributed to SDG **Target 4.6**: "By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy."
10 REDUCED INEQUALITIES	Contributing to remittances costs reduction while investing in companies that are allowing for remittances transaction costs of approximately 4% (vs. global average of 7% in Dec-20). This contributed to **Target 10.c:** "By 2030, reduce to less than 3 per cent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5 per cent".

More specifically,

An investment has been made in a Mexican institution that directly contributes to Sustainable Development Goal 4 (SDG 4) by providing loans to young people who face economic limitations in accessing quality education. This institution works with private universities and establishes service points on campuses to facilitate accessibility. Moreover, with a commitment to maintaining a 50% female student portfolio, it not only fosters gender equality but also addresses the educational disparity in Mexico. Through these loans, the institution plays a vital role in narrowing the higher education gap and promoting SDG 4's objective of quality education for all.

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

The investment was directed towards an institution headquartered in Mauritius, specializing in cross-border remittance payments, thereby facilitating seamless financial transactions across borders. The institution's mission revolves around establishing a robust payments ecosystem that caters to diverse payment types and instruments, ultimately making a significant contribution to Sustainable Development Goal 10 (Reduced Inequalities) by providing a safe platform for sending remittances.

How did the sustainability indicators perform?

The Fund monitors the evolution of outreach indicators to specific segments of the low- and middle-income population to measure its contribution to its Sustainable Investment Objectives (SIOs; in blue in the table below). Three metrics are provided:

- Total outreach of the investees financed by the Fund: this indicator represents the number of end-borrowers reached by the investee for each category of product that is considered as contributing to the SIOs of the Fund, and/or more broadly to the mission of the Fund.

- Outreach per 1 M USD invested in the Fund: this indicator measures the investors' contribution to the activity of the Fund's investees while investing 1M USD into it. It approximates the contribution of each million USD on each of the categories of products offered by the investees of the Fund.

- Fund contribution: this indicator estimates the contribution of the Fund to the outreach of its investees. It represents the number of end-borrowers of this category divided by the total gross loan portfolio of the investee and multiplied by the amount of the loan.

These three metrics are calculated as the weighted average of each specific indicator based on the portfolio composition at the end of each quarter of the reporting period. The reporting period comprises from the 31st of December 2022 to the 31st of December 2023. For this reporting, the latest data available from the investees at the end of the reporting period are used.

The indicators below are collected for a share of the portfolio of Sustainable Investments of the Fund that is indicated at the bottom of the following table. The numbers below are thus slightly underestimated. Notably, a few investments realized through Green, Social and Sustainable Bonds or Green Loans did not receive yet the annual use-of-proceeds and impacts reports due for such instruments. A few investees sent outreach indicators that are not standard and which cannot be aggregated at the total portfolio level. As such, those are not yet included in the outreach of the Fund.

In 2024, the Investment Advisor performed a thorough review of the reporting template. Consequently, new indicators were added to the 2024 Reporting Template. Data for these indicators will be collected systematically throughout 2024 and will be incorporated into the 2025 reporting.

In terms of gender indicators, recent additions include details such as the number of active borrowers whose legal entities are over 51% owned by women and the count of female full-time equivalent senior management employees.

Additionally, a breakdown of Green Loan Products (GLP) has been added to the portfolio for new green products. This breakdown will be completed based on the use of proceeds of the loans. The indicators associated with the Sustainable Development Goals (SDGs) achieved by the Fund are outlined below, with new additions marked with an asterisk (*). The reported data for newly added indicators is sourced from the Green, Social, and Sustainability (GSS) Bonds, as companies report through the use of proceeds templates. For the indicators marked as "n.c.", it means that data has not been collected yet for these specific indicators. Data collection for these indicators will start in 2024.

When available, the outreach of the total Bond issued is listed under the Sustainability Indicator "Reached by Investees", and the outreach of the bond note subscribed by the Fund is listed under the Sustainability Indicator "Reached by Fund".

The outreach indicators related to gender, agriculture and renewable energy loans are treated separately as those borrowers can be reached with types of loans already counted as contributing to other SDGs (e.g. microloans, SME loans, etc.).

Sustainability Indicators – Outreach		Reached by Investees	Reached with 1 M USD Investment in the Fund	Reached by Fund
SDG	**Total number of end-borrowers reached**	9,441,010	705	23,386
1.4	Number of end-borrowers reached with micro loans	7,915,915	452	14,700
4.6	Number of end-borrowers reached with education loans	34,930	3	83
8.3	Number of end-borrowers reached with SME loans	342,298	11	364
11.1	Number of end-borrowers reached with housing loans	270,382	14	445
n.a.	Number of end-borrowers reached with other loans	877,768	225	7,794
	OF WHICH:			
2.3	Number of end-borrowers reached with a loan for agricultural activity	1,932,775	104	3,380
2.4	Number of end-borrowers who have received a loan that apply environmental remediation measures to improve their production*	n.c.	n.c.	n.c.
5.1	Number of women end-borrowers reached	5,762,377	375	12,203
7.1	Number of end-borrowers reached with renewable energy supply loans	62,689	196	6,869
7.2	Number of end borrowers reached with a loan for renewable energy production and infrastructure*	n.c.	n.c.	n.c.
Other indicators collected from investments				
4.6	Number of loans to schools	409	0	0
7.2	Renewable energy capacity installed (KWp)*	n.c.	n.c.	n.c.

7.2	Annual renewable energy generation in MWh/KWh*	408,203	69	2,212
10.c	Number of remittances users per year	7,122,277	26	839
Coverage rate (in % of the portfolio of Sustainable Investments of the Fund, in NAV)				**84.4%**

A few complementary indicators are reported here to provide a more complete picture of the impact generated, i.e., measuring to what extent the Fund delivered its overall mission to create inclusive growth for the benefit of low and middle-income households and micro-, small, and medium enterprises in emerging markets.

Other indicators collected	
Number of investees	61
Number of countries served	34
Gender balance	
% of women borrowers among borrowers reached by the Fund	57%
Average % women borrowers served by institutions financed	42%
Outreach to LMIH	
Portfolio in low- and lower-middle-income countries (% of sustainable investments)	41%
Median average credit per borrower	3,630
Average % of rural borrowers served by financed institutions	43%

To monitor the achievement of its Sustainable Investment Objectives, the Fund also determines for each investment which SDG it mostly contributes to, based on the economic activities financed and/or target clientele served by the investee as described in the table above.

Sustainability Indicators –Portfolio Allocation to main SDG reached	**% total of assets (NAV)**[1] **Reporting period:** 31st of December 2022 to 31st of December 2023.
1	24.9%
2	5.9%

[1] Calculated as the weighted average portfolio composition at the end of each quarter of the reporting period, using the latest data available from the investees at the end of the reporting period.

4	0.4%
5	15.2%
7	6.6%
8	25.8%
10	2.4%
11	5.5%
Total Sustainable Investments	86.8%
Minimum Sustainable Investments	**75%**

...and compared to previous periods?

Sustainability Indicators – Outreach[2]		**Outreach of the Investees financed**		**Outreach per 1 M USD invested**		**Fund's contribution to the Outreach**	
		2022	2023	2022	2023	2022	2023
SDG 1.4	Number of end-borrowers reached with micro loans	12,139,078	7,915,915	653	452	24,356	14,700
SDG 4.6	Number of end-borrowers reached with education loans	45,845	34,930	7	3	271	83
SDG 8.3	Number of end-borrowers reached with SME loans	299,917	342,016	9	11	321	364
SDG 11.1	Number of end-borrowers reached with housing loans	173,942	270,382	5	14	196	445
n.a.	Number of end-borrowers reached with other loans	781,481	877,768	33	225	1,213	7,794
	TOTAL number of end-borrowers reached	13,440,425	9,441,010	707	705	26'360	23,386
	OF WHICH:						
SDG 2.3	Number of end borrowers reached with a loan for agricultural activity	4,916,424	1,932,775	213	104	7,979	3,380

[2] Data expressed as a weighted average of portfolio composition at end of each quarter, using latest data available from the investees at end of the reporting period.

SDG 2.4	Number of end-borrowers who have received a loan that apply environmental remediation measures to improve their production	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.
SDG 5.1	Number of women end-borrowers reached	9,843,712	5,762,377	571	375	21,316	12,203
SDG 7.1	Number of end-borrowers reached with renewable energy supply loans	160	62,689	0	196	0	6,869
SDG 7.2	Number of end borrowers reached with a loan for renewable energy production and infrastructure	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.
Other indicators collected							
4.6	Number of loans to schools	n.c.	409	n.c.	0	n.c.	0
7.2	Renewable energy capacity installed (KWp)	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.
7.2	Annual renewable energy generation in MWh/KWh	n.c.	408,203	n.c.	69	n.c.	2,212
10.c	Number of remittances users per year	n.c.	7,122,277	n.c.	26	n.c.	839

The difference in the reported number of end borrowers is mainly because of changes in data availability and the fund's investments. Some institutions that previously served a large number of end borrowers are no longer part of the portfolio this year.

Complementary indicators[3]	**FY 2022**	**FY 2023**
Number of investees	63	61
Number of countries served	32	34
Gender balance		
% of women borrowers among borrowers reached by the Fund	80%	57%
Average % women borrowers served by institutions financed	44%	42%
Outreach to LMIH		
Portfolio in low- and lower-middle-income countries (% of sustainable investments)	39%	41%

[3] Data expressed as a weighted average of portfolio composition at end of each quarter.

Median average credit per borrower	4,398	3,630
Average % of rural borrowers served by financed institutions	35%	43%

Sustainability Indicators – Portfolio Allocation to SDG, in % of total assets	FY 2022	FY 2023
1	26%	24.9%
2	4.8%	5.9%
4	1%	0.4%
5	14.7%	15.2%
7	5.7%	6.6%
8	27.6%	25.8%
10	3.2	2.4%
11	1.6%	5.5%
Total Sustainable Investments	**84.6%**	**86.8%**
Minimum Sustainable Investments	**75%**	**75%**

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?

Investees must meet certain criteria to be eligible for investment. They should prioritize generating a positive impact while avoiding causing significant harm. The Investment Advisor uses two tools to assess investments:

- Exclusion list: The Investment Advisor ensures that the investees do not finance any activities included in the Fund,s exclusion list. This list adheres to international standards set by development finance institutions like IFC and FMO. For primary debt issuance, the exclusion list is included in the loan agreements or promissory notes agreed upon with the target investees. Investees are strictly prohibited from financing any borrower involved in the activities listed in the exclusion list.

- ESG assessment: The Investment Advisor considers an ESG assessment of the target investee in its investment decision-making process. The Deal Originator is responsible for providing the Investment Advisor with the necessary information for private debt instruments. The Investment Advisor and Deal Originator agree on the minimum level of information required to comply with the Do No Significant Harm (DNSH) principle. The ESG assessment acts as a filter to select the deals, based on qualitative analysis, with no defined threshold. To be eligible, an Investee must avoid causing significant harm while focusing on generating positive impact. For that purpose, the Investment Advisor uses two tools to filter out investments:

· Exclusion list. For private debt instruments, the Investment Advisor ensures that the Target Investees do not finance activities included in the Exclusion list of the Fund. The Exclusion list is broadly in line with international standards set forth by development finance institutions like the IFC and FMO. For primary issuance debt instruments, the Investment Advisor ensures that the Exclusion list is included in the loan agreements or promissory notes agreed with the Target Investees. Specifically, Investees are prohibited to perform themselves or finance any borrower involved in the activities listed in the Exclusion list.

· ESG assessment. The Investment Advisor takes into account an ESG assessment of the Target Investee in its investment decision-making process. For private debt instruments, the Deal Originator is usually in charge of providing the Investment Advisor with the required level of information. The Investment Advisor agrees with each Deal Originator on the minimum level of information required to make sure it remains in compliance with the DNSH principle. The ESG assessment is used as a filter to select the deals, for now on a qualitative basis, with no threshold precisely defined. The ESG assessment used by the Investment Advisor evaluates the risk of doing harm of a rated company from an environmental, social, and governance (ESG) risk perspective. The tool evaluates the company,s exposure to E&S risks as well as the systems in place to mitigate such risks. It ranks companies according to their direct and indirect ESG footprint, where the indirect impact can be related to the company,s borrowers, clients or suppliers.

The ESG rating is measured on a 0% to 100% scale. The final score is obtained via the scoring of 54 indicators graded on a 1 to 5 scale. Indicators are qualitative, quantitative, or indirect (reflecting the exposure to indirect E&S risks) and are consistently assessed based on detailed definitions and guidelines. Indicators are regrouped into 9 ESG dimensions:

Environment:
Energy & Natural Resources: Use of energy and natural resources by the company and its clients. Practices to reduce, reuse and recycle resources at the company level.
Air, Water & Land: Emissions to the air (GHG), water and land (waste) by the company and its clients. Practices to reduce emissions at the company level.
Ecosystems & Biodiversity: Negative impact on ecosystems and biodiversity and measures taken to minimize it.
Social:
Human Capital: Treatment of employees relative to ILO standards.
Customers: Practices on client protection (prevention of over-indebtedness, transparency, treatment, data privacy and products, adequacy) relative to Social Performance Task Force Client Protection standards.
Communities: Negative impact on communities whether through the company,s direct activities or that of its clients, and measures taken to minimize it.
Governance:
Values: Governance strength, structure, values, integrity standards and level of

business ethics.
Transparency: E&S Transparency towards stakeholders and quality of E&S reporting.
ESMS: Policies, processes and practices concerning E&S; quality of the Environmental and Social Management System (ESMS) in place to manage E&S risks.

Key indicators of the ESG assessment are also collected from the Investees on an annual basis, when possible. Their evolution is monitored and reported. Notably, all of the topics underlying the PAI indicators defined in the Regulatory Technical Standards (RTS), are part of the ESG assessment. During the due diligence, the ESG assessment considers, when possible, the exposure of Target Investees to the fossil fuel sector, high-impact climate sector, sectors likely to generate emissions to water, hazardous waste, and activities likely to affect biodiversity-sensitive areas. The ESG assessment also considers the human resources practices of the Target Investees including gender considerations. Other adverse impacts, depending on the specificity of the Target Investees, activities are assessed, such as the lack of grievance/complaints handling mechanisms related to employee matters. The ESG assessment is meant to provide guidance to the Investment Advisor regarding the impact of its investment decisions on Sustainability Factors.

When an investment is done through a syndication or third-party origination, the Fund Advisor ensures that the assessment performed by the Third Party Originator or Syndication Agent is aligned with its standards.

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

In 2022, the Fund began monitoring mandatory indicators for principal adverse impacts on sustainability factors. Additionally, two of the optional indicators were being tracked - investments in companies without carbon emission reduction initiatives and lack of grievance/complaints handling mechanism related to employee matters. In 2023, the coverage rate has increased, and this positive trend is expected to continue over time. Some of the indicators are also estimated through the use of proxies. The PAI indicators statement is available at the end of this Annex.

Since 2021, the Fund Advisor has been working with other professionals in the industry to align their approaches to measure PAI indicators. This includes determining the best methods for data collection and calculation at the investee and/or end-borrower levels. Collecting data from non-EU investees is particularly challenging, and coordination is essential to ensure that investors have access to meaningful data.

The way the Fund is considering principal adverse impacts on sustainability factors all along the investment value chain is described in the question “How did this financial product consider principal adverse impacts on sustainability factors?” of this Annex.

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

The ESG Assessment implemented during Investee Due Diligence is partly based on the International Finance Corporation Performance Standards (IFC PS), which are broadly based on other international standards such as the United Nations Guiding Principles on Business and Human Rights, International Bill of Human Rights, International Labour Organization Standards, and Equator Principles. It is, however, not based on the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises as the Fund invests mostly in small to mid-size companies in emerging and frontier economies thus not applicable.

UN Guiding Principles on Business and Human Rights	Broadly considered and adapted to the companies targeted
OECD Guidelines for Multinational Enterprises and Key Considerations for Banks Implementing the OECD Guidelines for Multinational Enterprises	Guidelines are not applicable as the Fund invests mostly in small to mid-size companies in emerging markets. All transversal standards framing these Guidelines, such as human rights, employment, environment, bribery, consumer interests, competition, and taxation, are broadly considered and adapted to the companies targeted. Science and technology fall out of scope. The key considerations that apply to the Fund are the ones defined for banks given that the Investees of the Fund are mostly microfinance institutions, SME banks and leasing companies. These six key considerations for banks are broadly covered by the Investment Advisor's methodology or are planned to be: Measure 1: Embed responsible business conduct into policies and management systems Measure 2: Identify and assess actual and potential adverse impact Measure 3: Cease, prevent and mitigate adverse impacts Measure 4: Track implementation and results Measure 5: Communicate how impacts are addressed Measure 6: Provide for or cooperate in remediation when appropriate

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

The Investment Advisor integrates the risk of occurrence of Principal Adverse Impacts into the core investment process of the Fund through its research, analysis, and decision-making processes, as part of its Sustainability Policy. It does so principally via:

- An exclusion of any investments that significantly harm sustainable investment objectives, via an exclusion list defining what will be excluded from any investments, such as production or trade in weapons, commercial logging operations for use in primary tropical moist forest, and production or activities involving harmful or exploitative forms of forced labor, among others; and

- An ESG Assessment of the Target Investees, which focuses on the assessment of an Investee's risk of doing harm, provides an evaluation of the Principal Adverse Impacts that an Investee could cause on Sustainability Factors. It includes all PAI indicators (or the topics underlying the Principal Adverse Impact Indicators) weighted depending on their level of relevance for the Target Investees. It allows the Fund to filter investments to be exposed only to Target Investees evaluated to not harm significantly the Sustainability Factors. For now, no target objective was set up to reduce Principal Adverse Impacts at the Fund level.

The ESG Assessment is partly based on the International Finance Corporation Performance Standards, which are broadly based on other international standards such as the United Nations Guiding Principles on Business and Human Rights, International Bill of Human Rights, International Labour Organization Standards, and Equator Principles. It is however not based on the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises as the Fund invests mostly in small to mid-size companies in emerging and frontier economies (see the above question).

The assessment tool is also inspired by the Alinus Social Performance Management tool developed and promoted by CERISE + SPTF, dealing notably with customer protection issues. All indicators are collected through meetings with the Target Investees, answers to specific questionnaires, periodic data monitoring, and, when applicable and practicable, on-site visits.

When an investment is done through a syndication or third-party origination, the Fund Advisor ensures that the assessment performed by the Third-Party Originator or Syndication Agent is aligned with its processes and standards.

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: 31st December 2022 to 31st of December 2023

Largest investments[4]	Sector (NACE Code)	%Assets	Country
Pan Asia Bank	K64.19	3.2%	Sri Lanka
La Hipotecaria Colombia	K64.19	2.8%	Colombia
Amret	K64.19	2.4%	Cambodia
EVN Finance	K64.19	2.4%	Viet Nam
Banco Rio	K64.19	2.3%	Paraguay
Access Group	K64.20	2.2%	Germany
Ipak Yuli Bank	K64.19	2.1%	Uzbekistan
Davr Bank	K64.19	2.0%	Uzbekistan
Access Bank Plc	K64.19	1.9%	Nigeria
Bayport México	K64.92	1.8%	Mexico
Agricover	G46.21	1.7%	Romania

[4] Portfolio composition (%NAV) (excluding cash and money markets instruments) at end of the reference period.

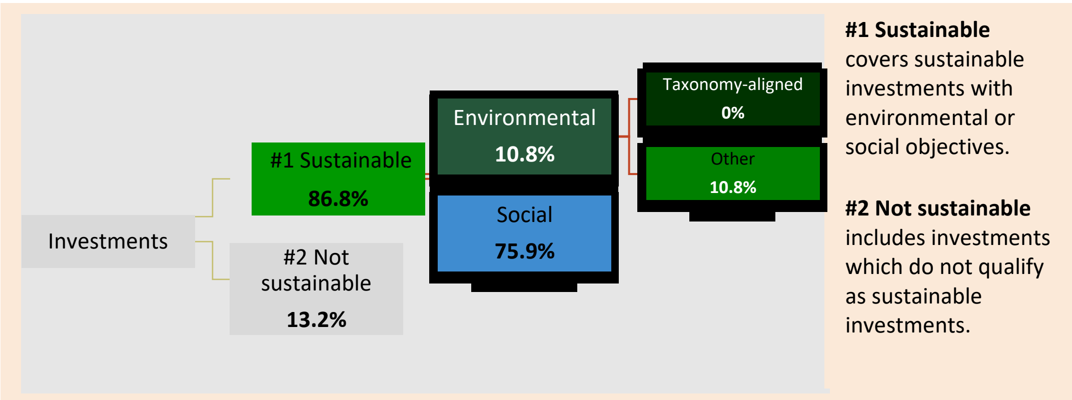
Vitas Romania	K64.92	1.7%	Romania
Baobab Plus	N77.29	1.7%	France
Advans Group	K64.20	1.7%	Luxembourg
Baobab Group	K64.20	1.7%	France

Asset allocation describes the share of investments in specific assets.

NACE CODE	Brief Description
K64.19	Other monetary intermediation
K64.92	Other credit granting
G46.21	Wholesale of grain, unmanufactured tobacco, seeds and animal feeds
N77.29	Renting and leasing of other personal and household goods
K64.20	Activities of holding companies

What was the proportion of sustainability-related investments?

What was the asset allocation?



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 that have greenhouse gas emission levels corresponding to the best performance.

The asset allocation is calculated as the weighted average portfolio composition at the end of each quarter of the reporting period, using the latest data available from the investees at the end of the reporting period). The reporting period comprises from the 31st of December 2022 to the 31st of December 2023.

For FY 2023, the share of Sustainable Investment was higher than the 75% minimum objective.

For FY 2023, the share of Social Investment was higher than the 65% minimum objective.

For FY 2023, the share of Environmental Investments was higher than the 1% minimum objective thanks to opportunities for investment contributing to environmental targets, but equally contributing to social ones in line with the overall mission of the Fund.
Examples of these investments include:

An investment in a Vietnamese institution that actively contributes to financing Vietnam's energy infrastructure. This institution plays a vital role in supporting Vietnam's transition to sustainable energy sources. In recent years, the investee has strategically focused on providing loan products to foster the development of rooftop solar projects across the rapidly advancing country. Notably, these efforts include offering loan facilities to small and medium-sized project developers, thereby promoting the installation of solar rooftops and contributing to the overarching objectives of SDG 7.

An investment in an Indian company that specializes in offering clean and cost-effective energy solutions. The company focuses on providing solar energy solutions to Indian businesses by installing small and medium-scale solar systems. By doing so, it not only helps these companies fulfil their energy requirements but also plays a pivotal role in curbing their carbon emissions. This investment aligns perfectly with SDG 7's objective of ensuring access to affordable, reliable, sustainable, and modern energy for all, while also fostering environmental sustainability.

In which economic sectors were the investments made?

NACE code	NACE Brief Description	FY 2023
K64.19	Other monetary intermediation	45.8%
K64.92	Other credit granting	21.4%
K64.20	Activities of holding companies	6.5%
K66.19	Other activities auxiliary to financial services, except insurance and pension funding	4.2%
N77.29	Renting and leasing of other personal and household goods	2.8%
K64.30	Trusts, funds and similar financial entities	1.8%
G46.21	Wholesale of grain, unmanufactured tobacco, seeds and animal feeds	1.7%
K64.91	Financial leasing	1.1%
G46.39	Non-specialised wholesale of food, beverages and tobacco	1.0%

As shown in the table above, the Fund mostly invests in financial institutions and gathers information on the business activities in which these institutions invest. The breakdown per business activity of this underlying portfolio is:

Business activity (number of final borrowers weighted by Fund volumes)[5]	**FY 2023**
Agriculture	16.7%
Construction	3.3%
Energy supply	1.4%
Financial services	3.0%
Garages	0.2%
Health	0.8%
Laundry	0.0%
Manufacturing	3.6%
Mining	0.1%
Non-productive loans	38.6%
Other services	9.7%
Real estate	0.5%
Renewable energy	1.5%
Trade	15.8%
Transport	4.6%
Water & Waste	0.0%

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

Sustainable investments with environmental characteristics, are made in economic activities that are not aligned with the EU Taxonomy. Further information is provided in answer to "What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy".

[5] Expressed in % of Investments per main economic sectors in which investees are investing. Weighted average of portfolio composition at end of each quarter.

Did the financial product invest in fossil gas and/or nuclear energy-related activities complying with the EU Taxonomy[6]?

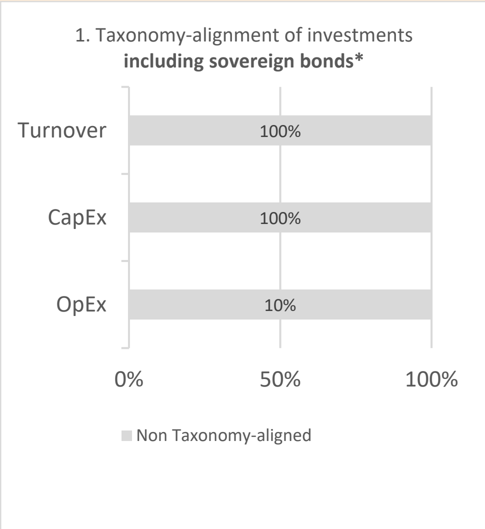
☐ Yes:

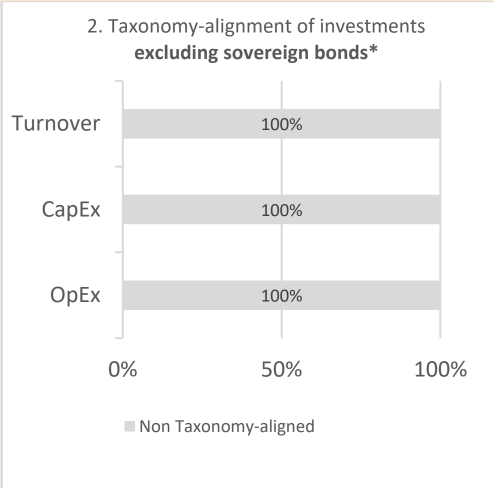
☐ In fossil gas ☐ In nuclear energy

☒ No

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

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.





This graph represents 100% of the total investments.

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

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.

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

Not applicable.

How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?

Not applicable.

[6] 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 no significant harm to any EU Taxonomy objective - 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 sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

The Fund made a limited number of sustainable investments, accounting for 10.8% with an environmental objective. Despite being eligible for the climate change mitigation objective of the EU Taxonomy, all these sustainable investments are in economic activities that do not align with the Taxonomy. The Fund primarily invests in emerging markets where participants are not obligated to report against European regulations, and the technical standards required by European regulations are not adapted to these markets.

Nevertheless, investments contributing to one of the social objectives of the Fund undergo a comprehensive assessment for environmental quality. Additionally, for green and sustainability bonds, the assessment is conducted according to the ICMA Standards.

What was the share of socially sustainable investments?

Share of socially sustainable investments (% of total assets, calculated as the weighted average portfolio composition at the end of each quarter of the reporting period). The reporting period comprises the 31st of December 2022 to 31st of December 2023.	**75.9%**

What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?

For FY 2023, the Non-Sustainable Investments of the Fund were composed of the categories detailed in the table below (all expressed in % of total assets).

Composition of the Fund as a weighted average of end of each quarter (in % of total NAV)	
Cash	2.9%
Hedging Instruments	-0.5%
Other assets	-3.1%
Other Investments (money market instruments)	13.9%
Total Non-Sustainable Investments	**13.2%**

Non-Sustainable Investments include cash, and hedging instruments, as well as other assets. The assets that are not invested in "Sustainable Investments" are either cash used for liquidity management purposes or cash that is not yet invested. The percentage of cash in the total assets reflects the nature and pace of the investment decisions made by a Fund investing in illiquid markets. Derivative financial instruments are used, when judged necessary, to ensure that the Fund extends financing in local currency to its Investees while reducing the foreign exchange currency risk for its investors. Providing financing in local currency is seen as part of the mission of the Fund to ensure that Investees can also extend local currency loans to their borrowers and as such protect them from foreign exchange risk. To better represent the positive impact generated by investments, the provisioning of workout cases was directly allocated to the investments to avoid overestimating their outreach. This approach led to a residual accounting adjustment.

What actions have been taken to attain the sustainable investment objective during the reference period?

The Fund's Environmental and Social ("E&S") risk management approach was updated in 2021 and 2022 to add more scrutiny on environmental and social risks as the Fund expanded and diversified its scope of investment by building a pipeline of new types of investments targeting at financing SMEs and low- and middle-income households in addition to microenterprises.

The Fund thus reinforced its Environmental and Social Management System to make it commensurate with its exposure to E&S risk and match the stronger sustainability requirements from investors and the regulation. This will ensure that the Fund keeps achieving its mission and reaching its sustainable investment objective while aiming at generating low negative impact.

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

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

No index has been designated as a Reference Benchmark as existing indexes are not appropriate considering the type of Investments made by the Fund. To be able to position the proposed Investments in terms of their contribution to the Sustainable Investment Objectives of the Fund, an internal benchmark is used, and compares the ESG rating scores of the potential investees with the scores of its peers (of the same country or region). Sustainability Indicators of the Target Investees are also compared. The evolution of these indicators over time is also checked for repeat investees.

To cover the absence of a relevant benchmark, the Investment Advisor also actively participates in professional associations of Impact Investors such as the Investor Working Group of the Social Performance Task Force or the GIIN and shares practices, results and performance with other market players.