



# Candriam Absolute Return

**Société d'Investissement à Capital Variable**

**("SICAV")**

**Luxembourg**

## Prospectus

---

Subscriptions may only be accepted if made on the basis of this Prospectus, which is only valid if accompanied by the latest available annual report and the latest semi-annual report if published since the last annual report. These documents form an integral part of this Prospectus.

---

**1 July 2022**



## Introduction

Candriam Absolute Return (hereinafter the "SICAV") is registered on the official list of undertakings for collective investment (hereinafter "UCIs") pursuant to the Law of 17 December 2010 on undertakings for collective investment (hereinafter the "Law") and meets the conditions set down by Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended (hereinafter "Directive 2009/65/EC"), on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (hereinafter "UCITS").

Such registration may not be interpreted as a positive appraisal by the supervisory authority as to the content of this Prospectus or the quality of the securities offered or held by the SICAV. Any affirmation to the contrary is unauthorised and illegal.

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

Shares in the SICAV are not and will not be registered in the United States in accordance with the *U.S. Securities Act of 1933*, as amended ("*1933 Securities Act*") and are not and will not be eligible under any law of the United States. These shares may not be offered, sold or transferred to the United States (including its territories and possessions) or directly or indirectly benefit any U.S. Person (as defined in Regulation S of the 1933 Securities Act and Rule 4.7. of the Commodity Exchange Act). However, notwithstanding the foregoing, the SICAV reserves the right to make a private placement of its shares to a limited number of *U.S. Persons* to the extent permitted under applicable U.S. law.

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

In addition, financial institutions which do not comply with the FATCA programme (FATCA stands for the U.S. Foreign Account Tax Compliance Act), as included in the Hiring Incentives to Restore Employment Act (hereinafter the "HIRE Act"), and its application measures, including the identical provisions adopted by partner countries which have signed an "Intergovernmental Agreement" with the United States, must expect to be forced to have their shares redeemed when the programme is put in place.

Pursuant to an exemption from the Commodity Futures Trading Commission (the "CFTC") in connection with funds whose investors are limited to qualified eligible persons in accordance with the applicable U.S. rules, a prospectus of this SICAV is not required to be, and has not been, submitted to the CFTC. The CFTC does not have a view on the merits of the holdings in a fund nor on the adequacy or accuracy of a prospectus. Consequently, the CFTC has not reviewed nor approved this Prospectus or any prospectus related to this SICAV.

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



The Board of Directors of the SICAV is liable for the accuracy of the information contained in the Prospectus on the date of its publication.

No person has been authorised to provide any information other than that contained in the Prospectus or the documents referred to herein, which may be consulted by the general public.

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

Any reference made in this Prospectus:

- to the term "Member State" refers to a Member State of the European Union. States that are party to the Agreement on the European Economic Area, other than the Member States of the European Union, are treated as equivalent to Member States of the European Union, within the limits defined by this Agreement and the associated instruments,
- to the term EUR refers to the currency of the countries that are members of the Economic and Monetary Union,
- to the term Bank Business Day refers to any full bank business day in Luxembourg. To avoid any confusion, 24 December is not considered to be a Bank Business Day,

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

In accordance with the provisions of the Luxembourg law on the protection of persons with regard to the processing of personal data, and all applicable local laws and regulations, in each case, as amended, revised or replaced (including by operation of EU Regulation 2016/679) (the "GDPR"), the Management Company, as data controller, collects, stores and processes, by electronic or other means, the personal data of investors for the purpose of fulfilling the services required by the investors and complying with its legal and regulatory obligations. In particular, investors' personal data processed by the Management Company includes the name, details (postal address or e-mail address), tax identification number (TID), bank details, and the amount invested and held in the SICAV ("Personal Data"). The investor may at his/her discretion refuse to communicate Personal Data to the Management Company. In this case, however, the Management Company may reject a request for Shares. Investors are entitled: (i) access his/her Personal Data (including, in certain cases, in a commonly used, machine readable format); (ii) have their Personal Data rectified (where they are inaccurate or incomplete); (iii) have their Personal Data erased where the Management Company or the SICAV no longer has any legitimate reasons to process them; (iv) have their Personal Data restricted; (v) object to the processing of their Personal Data by the Management Company in certain circumstances; and (vi) lodge a complaint with the applicable supervisory authority, by writing to the Management Company at its registered office. Personal Data is processed, in particular, for the purposes of processing subscriptions, redemptions and conversions of shares and payments of dividends to investors, account administration, client relationship management, performing controls on excessive trading and market timing practices, tax identification as may be required under Luxembourg or foreign laws and regulations [including laws and regulations relating to FATCA or CRS ("CRS" stands for "Common Reporting Standard" and means the Standard for Automatic Exchange of Financial Account Information in Tax matters, as developed by the OECD and implemented in particular by Directive 2014/107/EU)] and compliance with applicable anti-money laundering rules. Personal Data supplied by investors is also processed for the purpose of maintaining the register of shareholders of the SICAV. In addition, Personal Data may be processed for prospecting purposes. Each investor has the right to object to the use of his/her Personal Data for prospecting purposes by writing to the SICAV. The Management Company may ask investors for their consent to collect or process their Personal Data on certain occasions, for example, for the purposes of marketing. The investors can withdraw this consent at any time. The Management Company also processes investors' Personal Data where necessary to fulfil its contract with the investor, or when required by law, such as if the SICAV receives a request from law enforcement or other government officials. The Management Company also processes investors' Personal Data when this is in its legitimate interests to do this and when these interests are not overridden by investors' data protection rights. For example, there is a legitimate interest in ensuring the effective operation of the SICAV.



Personal Data may be transferred to affiliates and third-party entities supporting the activities of the SICAV, which include, in particular, the Management Company, Central Administration, Depositary, Transfer Agent and Distributors that are located in the European Union. Personal Data may also be transferred to entities which are located in countries outside the European Union and whose data protection laws do not necessarily guarantee an adequate level of protection. When subscribing for shares, all investors expressly agree to the transfer and processing of their Personal Data to and by such entities, including those located outside the European Union, and in particular in those countries which do not necessarily guarantee an adequate level of protection. The Management Company or the SICAV may also transfer Personal Data to third parties, such as government or regulatory agencies, including tax authorities, in or outside the European Union, in accordance with applicable laws and regulations. In particular, such Personal Data may be disclosed to the Luxembourg tax authorities, which may in turn, acting as the data controller, disclose it to foreign tax authorities. Investors can request further information about how the SICAV ensures that transfers of Personal Data comply with the GDPR by contacting the SICAV at the registered office of the Management Company. Personal Data will not be retained for a period longer than necessary for the purpose of the data processing, subject to applicable legal minimum retention periods.

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



## Contents

1. Administration of Candriam Absolute Return.....	6
2. General Characteristics of the SICAV.....	9
3. Management & administration .....	11
4. Depositary.....	14
5. Investment objectives .....	15
6. Investment policy .....	16
7. Investment restrictions.....	21
8. Risk factors .....	28
9. Risk management .....	32
10. Shares.....	33
11. Listing of shares.....	33
12. Issue of shares and subscription and payment procedures.....	33
13. Redemption of shares .....	34
14. Conversion of shares .....	35
15. Market timing and late trading .....	36
16. The fight against money laundering and the financing of terrorism.....	36
17. Net asset value .....	37
18. Suspension of net asset value calculation and the issue, redemption and conversion of the shares 40	
19. Allocation of income .....	40
20. Separation of the liabilities of the sub-funds .....	42
21. Costs and charges .....	42
22. Taxation.....	45
23. General meetings .....	46
24. Closure, merger and demerger of sub-funds, share classes or share types – Liquidation of the SICAV .....	46
25. Shareholder information .....	48
Fact Sheet Candriam Absolute Return Equity Market Neutral .....	50



## 1. Administration of Candriam Absolute Return

### Board of Directors:

#### Chairman

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

#### Directors

**Mr Thierry Blondeau**  
Independent Director

**Mrs Isabelle Cabie**  
Head of Sustainable and Responsible Investment  
Candriam – Belgian Branch

**Mr Fabrice Cuchet**  
Global Head of Alternative Investment  
Member of the Group Strategic Committee  
Candriam – Succursale française

**Mr Bertrand Gibeau**  
Independent Director

**Mr Damien Rol**  
Deputy Global Head of Legal  
Candriam – Succursale française

### Registered office:

5, Allée Scheffer, L-2520 Luxembourg

### Management Company:

#### Name, registered office:

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

#### Board of Directors

#### Chairwoman

**Ms Yie-Hsin Hung**  
Chairman and Chief Executive Officer  
New York Life Investment Management Holdings LLC  
Senior Vice President  
New York Life Insurance Company

#### Directors

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

**Mr Naïm Abou-Jaoudé**  
Chief Executive Officer  
Candriam



**Mr John M. Grady**  
Senior Managing Director  
New York Life Investment Management Holdings LLC  
Senior Vice President  
New York Life Insurance Company

**Mr Anthony Malloy**  
Executive Vice President & Chief Investment Officer  
New York Life Insurance Company  
Chief Executive Officer  
NYL Investors LLC

**Mr Frank Harte**  
Senior Managing Director, Chief Financial Officer & Treasurer  
New York Life Investment Management Holdings LLC  
Senior Vice President  
New York Life Insurance Company

**Mr Vincent Hamelink**  
Member of the Group Strategic Committee  
Candriam – Belgian Branch

Management Committee

Chairman

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

Members

**Mr Naim Abou-Jaoudé**, Director - Manager  
**Mr Pascal Dequenne**, Manager  
**Mr Tanguy de Villenfagne**, Manager  
**Mr Renato Guerriero**, Manager  
**Mr Alain Peters**, Manager

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

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

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

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

**Administrative agent:** **CACEIS Bank, Luxembourg Branch**  
5, Allée Scheffer, L-2520 Luxembourg



**Transfer Agent and Registrar:**

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

**Depositary:**

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

**Approved auditors:**

**PricewaterhouseCoopers**  
2 rue Gerhard Mercator, BP 1443, L – 1014 Luxembourg





## 2. General Characteristics of the SICAV

Candriam Absolute Return was formed in Luxembourg on 5 May 2004, for an unlimited term, in the form of a *fonds commun de placement* by FCP MULTI MANAGEMENT S.A., a *société anonyme* under Luxembourg law, in accordance with the provisions of part I of the Luxembourg Law of 20 December 2002 on UCIs. Candriam Luxembourg was appointed as the Management Company on 30 December 2005. The FCP was converted into a SICAV subject to part I of the Law of 30 March 2012 with effect from 1 April 2012.

The SICAV is registered in the Luxembourg Trade and Companies Registry under number B-168.300. Its articles of incorporation were filed with the Luxembourg Trade and Companies Registry and were published in the *Mémorial, Recueil des Sociétés et Associations* of the Grand Duchy of Luxembourg. The articles of incorporation were last amended on 1 July 2022 and the corresponding amendments were published in the RESA (*Recueil Electronique des Sociétés et des Associations*).

The SICAV takes the form of an umbrella SICAV. An umbrella SICAV consists of a number of sub-funds, each representing a pool of specific assets and liabilities and each adhering to a specific investment policy.

Each sub-fund has a specific investment policy and reference currency. Subscribers may choose the sub-fund with the management strategy and currency best suited to their objectives and sensitivity.

By definition, the umbrella structure offers investors the benefit of being able to choose between different sub-funds and switch from one sub-fund to another, provided the conditions for holding shares in the new sub-fund are met.

Unless expressly agreed in this Prospectus, each sub-fund is treated as a separate entity with its own assets, revenues, expenses, capital gains and capital losses.

The shareholders of a sub-fund have equal rights in the sub-fund in which their shares are held in proportion to the number of shares held.

Each sub-fund may offer several share classes, as stated in the fact sheets accompanying this Prospectus (hereinafter the "Fact Sheets"). These classes are differentiated by their distribution policy (some capitalise their income, while others distribute their income in the form of dividends), or type of target investor and/or the subscription and management fees and/or by their reference currency or other specific features.

In addition, each share class may apply a specific hedging policy as found in the sub-fund fact sheets, that is:

- **Hedging against fluctuations in the reference currency:** such hedging aims to reduce the effect of fluctuations in exchange rates between the reference currency of the sub-fund and the currency in which the share class is denominated. This type of hedging aims to achieve a reasonably comparable performance (adjusted in particular for the difference in interest rate between the two currencies) between the hedged class and the equivalent denominated in the reference currency of the sub-fund. This type of hedging is identified by the suffix **H** in the name of the class.
- **Hedging against the foreign exchange exposure of the assets forming the portfolio:** such hedging aims to reduce the effect of fluctuations in exchange rates between the currencies in which the sub-fund's assets are held and the currency in which the share class is denominated. This type of hedging is identified by the suffix **AH** in the name of the class.

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



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

The following sub-fund is currently available to investors:

- **Candriam Absolute Return Equity Market Neutral**

The sub-funds may offer the following classes of shares:

- A **C** class which is offered to individuals or legal entities.
- An **I** class which is reserved exclusively for institutional investors.
- The **I2** Class is not subject to an outperformance fee and is reserved exclusively for institutional investors.
- A **PI** class reserved for institutional investors which subscribe before the sub-fund has reached a critical size in terms of the assets under management. The minimum initial subscription is EUR 1,000,000 or the equivalent in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date. This class will remain open for subscription until one of the following events occurs: (i) the period fixed by the Board of Directors ends, (ii) the sub-fund reaches a critical size in terms of the assets under management, as defined by the Board of Directors, (iii) the Board of Directors decides to close this class to subscription on justifiable grounds.  
The Board of Directors may re-open this class of shares at its discretion and without the need to inform investors in advance.
- An **R** class, reserved for financial intermediaries (including distributors and platforms) which:
  - (i) have different arrangements with their clients for the provision of investment services in connection with the sub-fund, and
  - (ii) as a result of their applicable laws and regulations or on the basis of agreements with their customers, are not entitled to accept and keep duties, fees and other monetary benefits from the Management Company in connection with the provision of the above-mentioned investment services.
- An **R2** class reserved for:
  - Distributors and/or intermediaries approved by the Management Company who will not receive any form of remuneration for investments in this class from an entity of the Candriam group, if the final investments in the shares are made in the context of a mandate.
  - UCIs approved by the Management Company.
- An **S** class which is reserved for institutional investors specially approved by the Management Company whose minimum initial subscription is EUR 25,000,000 (or the equivalent in any other currency as decided by the Board of Directors) or the equivalent in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.
- An **S5** class which is reserved for institutional investors specially approved by the Management Company whose minimum initial subscription is EUR 200,000,000 (or the equivalent in any other currency as decided by the Board of Directors) or the equivalent in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.



- A **V** class which is reserved exclusively for institutional investors whose minimum initial subscription is EUR 15,000,000 (or the equivalent in any other currency as decided by the Board of Directors) or the equivalent in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.
- A **Z** class, reserved for:
  - Institutional/professional investors approved by the Management Company. The portfolio management activity for this class is directly remunerated through the contract concluded with the investor, so no portfolio management fee is payable for the assets of this class.
  - UCIs approved by the Management Company and managed by an entity of the Candriam group.  
If it appears that an investor no longer meets the conditions for accessing the class in question, the Board of Directors may take all the necessary measures and, if necessary, convert the shares into another appropriate class.

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

### 3. Management & administration

#### 3.1 The Board of Directors

The Board of Directors of the SICAV is responsible for the overall management of the SICAV.

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

A list of members of the Board of Directors is found in this Prospectus and in the interim reports.

#### 3.2 Domiciliation

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

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

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

#### 3.3 Management Company

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

Candriam (formerly Candriam Luxembourg) commenced its management activities on 1 February 1999. It is a subsidiary of Candriam Group, a New York Life Insurance Company Group entity.



It received approval as a management company within the meaning of section 15 of the Law, and is authorised to provide collective portfolio management, investment portfolio management and investment advisory services.

Its articles of incorporation were last amended on 1 July 2022 and the corresponding amendments were published in the *Mémorial C (Recueil des Sociétés et Associations)*. A version of the coordinated articles of incorporation has been filed with the Luxembourg Trade and Companies Registry.

The Management Company is registered with the Luxembourg Trade and Companies Registry under number B -37.647. It is established for an unlimited period. Its financial year ends on 31 December each year.

### **3.3.1 Functions and responsibilities**

The object of the Management Company is the collective portfolio management of UCITS and UCIs, investment portfolio management on a discretionary and personalised basis and the provision of investment advisory services.

Within this context, the Management Company has the broadest possible powers to carry out any acts of management and administration of the SICAV in accordance with its articles of incorporation. It is responsible for the portfolio management, administration (administrative agent, transfer agent including registrar activities) and marketing (distribution) activities for the SICAV.

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

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

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

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

#### **3.3.1.1 Portfolio management**

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

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

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

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

Under the terms of a central administration agreement entered into by the Management Company and CACEIS Bank, Luxembourg Branch (the "Central Administration Agreement"), the Management Company has delegated the administrative agent ("Administrative Agent") and registrar and transfer agent ("Transfer Agent") functions of the SICAV to CACEIS Bank, Luxembourg Branch.



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

CACEIS Bank, Luxembourg Branch operates as the Luxembourg branch of CACEIS Bank, a société anonyme under French law whose registered office is at sis 1-3, place Valhubert, 75013 Paris, France, Trade Register number RCS Paris 692 024 722. It is a credit institution approved and supervised by the European Central Bank (ECB) and the French Prudential Supervision and Resolution Authority (ACPR). The institution is also authorised to perform banking activities and central administration activities in Luxembourg through its Luxembourg branch.

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

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

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

#### **3.3.1.3 Marketing**

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

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

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

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

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

Any Distributor appointed must apply the procedures to combat money laundering as defined in the Prospectus.

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

#### **3.3.2 Remuneration policy**

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

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



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

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

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

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

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

[https://www.candriam.com/siteassets/legal-and-disclaimer/external\\_disclosure\\_remuneration\\_policy.pdf](https://www.candriam.com/siteassets/legal-and-disclaimer/external_disclosure_remuneration_policy.pdf)

A printed copy is available free of charge on request.

## 4. Depositary

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

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

In accordance with the applicable regulations, the Depositary:

- (i) ensures that any sale, issue, redemption, repayment and cancellation of the shares of the SICAV take place in accordance with the Law and applicable regulations and the articles of incorporation of the SICAV,
- (ii) ensures that the net asset value of the shares is calculated in accordance with the applicable regulations, the articles of incorporation of the SICAV, and the procedures set out in Directive 2009/65/EC,
- (iii) carries out the instructions of the SICAV unless they conflict with the applicable regulations or the articles of incorporation of the SICAV,
- (iv) ensures that for transactions involving the SICAV's assets, the consideration is paid to the SICAV within the usual time limits,
- (v) ensures that the SICAV's income is allocated in accordance with the applicable regulations and the articles of incorporation of the SICAV.

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

In accordance with Directive 2009/65/EC, the Depositary may, under certain conditions, entrust all or some of the assets for which it performs safekeeping or registration functions to correspondents or to



third-party depositaries appointed from time to time ("Delegation"). The Depositary's responsibilities will not be affected by such Delegation, unless otherwise provided but solely within the limits allowed by the Law.

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

Up-to-date information about the identity of the Depositary, a description of its responsibilities and potential conflicts of interest, the safekeeping functions delegated by the Depositary and the potential conflicts of interest that may arise from such Delegation are also available on request free of charge on the Depositary's website (above).

There are many situations in which a conflict of interest may arise, in particular when the Depositary delegates its safekeeping functions, or when the Depositary provides other services on behalf of the SICAV such as the central administration function or the registrar function. These situations and the potential conflicts of interest arising from them have been identified by the Depositary. In order to protect the interests of the SICAV and its investors, and to comply with the applicable regulations, the Depositary has put in place and guarantees application of a conflicts of interest policy, as well as procedures intended to prevent and to manage any potential or actual conflict of interest, principally aiming to do the following:

- (a) identify and analyse potential conflicts of interest,
- (b) record, manage and monitor conflicts of interest, either:
  - by relying on permanent measures established to manage conflicts of interest such as keeping separate legal entities, segregating functions, separating hierarchical structures, insider lists of staff members, or
  - by setting up case-by-case management with a view to (i) taking appropriate preventive measures such as preparing a new watch list, establishing new "Walls of China", ensuring that transactions take place under market conditions and/or informing the SICAV's relevant investors, or (ii) refusing to carry out the activity creating the conflict of interest.

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

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

## 5. Investment objectives

The SICAV aims to provide investors, through the available sub-funds, with an ideal investment vehicle that follows a well-defined management objective taking account of the degree of risk to which the investor is prepared to be exposed.

Each sub-fund will therefore offer investors the option of participating in the trends on the equities and bond markets of the main financial markets throughout the world whilst at the same time saving them from the constraints and concerns of researching and monitoring these markets.



## 6. Investment policy

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

- a) units in UCITS authorised according to Directive 2009/65/EC and/or other UCIs, within the meaning of article 1, paragraph (2), points a) and b) of Directive 2009/65/EC, whether established in a Member State or not, provided:
  - these other UCIs are approved in accordance with legislation stipulating that these undertakings are subject to supervision that the CSSF believes to be equivalent to that stipulated by Community legislation, and that cooperation between the authorities is sufficiently guaranteed,
  - the level of protection guaranteed to unitholders in these other UCIs is equivalent to that provided for unitholders of a UCITS and, in particular, that the rules on asset segregation, borrowing, lending and short-selling of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC,
  - the activities of these other UCIs are reported in semi-annual and annual reports such that their assets, liabilities, income and activities over the reporting period may be evaluated,
  - the proportion of assets that the UCITS or other UCIs whose acquisition is contemplated may invest overall, in accordance with their management rules or their documents of incorporation, in units in other UCITS or other UCIs does not exceed 10%.

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

- the target sub-fund does not in turn invest in the sub-fund invested in this target sub-fund, and
  - the proportion of assets that the target sub-funds whose acquisition is contemplated may invest overall in the units of other target sub-funds of the same UCI does not exceed 10%, and
  - any voting rights attached to the respective securities will be suspended for as long as they are held by the sub-fund in question, without prejudice to the appropriate treatment in the accounts and the interim reports, and
  - in any event, for as long as these securities are held by the SICAV, their value will not be included in the calculation of the net assets of the SICAV for the purpose of verifying the minimum net assets level imposed by the Law, and
- b) transferable securities and money market instruments listed or traded on a market within the meaning of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments,
  - c) transferable securities and money market instruments traded on another regulated market of a Member State, which operates regularly and is recognised and open to the public,
  - d) transferable securities and money market instruments officially listed on a stock exchange of a European country (other than those forming part of the EU), North and South America, Asia, Oceania or Africa, or traded on another market of a country of Europe (other than those forming part of the EU), North and South America, Asia, Oceania or Africa that is regulated, operates regularly and is recognised and open to the public,





- e) newly issued transferable securities and money market instruments provided the terms of issue include the undertaking that the application for official listing on a stock exchange or another regulated market, which operates regularly and is recognised and open to the public, as specified in points b) c) and d) above, is made within one year of the date of issue,
- f) deposits with a bank which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months. The bank must have its registered office in a Member State or, if this is not the case, must be subject to prudential rules considered by the Luxembourg supervisory authority to be equivalent to those provided for under EU legislation,
- g) derivative financial instruments, including equivalent cash-settled instruments, traded on a regulated market of the type referred to under points b), c) and d) above, or derivative financial instruments traded over-the-counter, provided that:
  - the underlying consists of the instruments referred to in this article 1, financial indices, interest rates, exchange rates or currencies, in which the sub-fund may make investments according to its investment objectives,
  - the counterparties to the transactions are institutions subject to prudential supervision and belonging to the categories authorised by the CSSF,
  - these instruments are reliably and verifiably valued on a daily basis and can, at the initiative of the SICAV, be sold, liquidated or closed by way of an offsetting transaction at their fair value at any time,
- h) money market instruments other than those normally traded on the money market, which are liquid and whose value can be accurately determined at any time, provided the issuer of these instruments is itself regulated for the purpose of protecting investors and savings and provided these instruments are:
  - issued or guaranteed by a central, regional or local authority, by a central bank of a Member State, by the European Central Bank, by the European Union or by the European Investment Bank, by a non-Member State or, in the case of a federal state, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
  - issued by an undertaking whose securities are traded on the regulated markets referred to under points b), c) or d) above, or
  - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF as being at least as stringent as those laid down by Community law, or
  - issued by other bodies belonging to categories approved by the CSSF, provided that investments in such instruments are subject to investor protection rules equivalent to those laid down in the first, second or third indent above, and that the issuer is: a company with combined capital and reserves of at least ten million euros (EUR 10,000,000) which presents and publishes its annual accounts in accordance with the Fourth Council Directive 78/660/EEC; an entity which, within a group of companies that includes one or more listed companies, is dedicated to financing the group; or an entity which is dedicated to financing securitisation vehicles that benefit from bank financing facilities.

Additional information pertaining to certain instruments:

#### **Total return swaps**



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

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

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

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

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

#### **6.2 A sub-fund may not:**

- invest more than 10% of its assets in transferable securities or money market instruments other than those referred to in article 6.1,
- purchase precious metals or certificates representing precious metals.

A sub-fund may hold cash on an ancillary basis (up to 20% of its assets). Cash held on an ancillary basis is restricted to sight deposits such as cash in instant-access current accounts held at a bank.

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

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

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

- Sub-fund which has sustainable investment as its objective ("Article 9 of the SFDR Regulation").
- Sub-fund which promotes, among other characteristics, environmental and/or social characteristics ("Article 8 of the SFDR Regulation").
- Other sub-fund which does not have sustainable investment as its objective and which does not specifically promote environmental and/or social characteristics.

#### **Alignment with the Taxonomy**

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

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



For directly-managed investments and/or for the underlying funds managed by Candriam, the environmental aspects making up these six environmental objectives are placed at the heart of the ESG analysis of issuers.

For the sub-funds which have sustainable investment as their objective and also for the sub-funds which promote, among other characteristics, environmental and/or social characteristics, this work to evaluate the contribution of issuers to the main environmental objectives, in particular the battle against climate change, requires a sector-based appraisal based on a heterogeneous data set and complex realities with multiple interdependencies. Candriam's ESG analysts also anticipated the entry into force of the criteria fixed by the EU, and developed their own analysis framework. This will enable a systematic evaluation of the contribution of a company's activities to various environmental objectives defined by Candriam and in line with the Taxonomy.

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

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

At present, few companies around the world provide the minimum amount of data needed to rigorously assess their degree of alignment with the Taxonomy.

Thus, the weakness of the data used to accurately assess compliance with the criteria laid down by the Taxonomy does not as yet enable a minimum percentage of the alignment of these sub-funds with the European Taxonomy to be set.

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

For more details please see the transparency code on Candriam's website: <https://www.candriam.com/en/private/market-insights/sri-publications/#transparency>

## **6.5 Efficient portfolio management techniques**

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

### **6.5.1 Securities lending transactions**

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

The type of securities contained in the lending transactions and the counterparties must meet the requirements of CSSF Circular 08/356 and the conditions defined in point 10 of section 7 of the Prospectus.

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



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

#### 6.5.2 Reverse repurchase transactions

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

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

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

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

#### 6.5.3 Repurchase transactions

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

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

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

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

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

#### 6.5.4 Associated risks and mitigation measures

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

##### *i. Selection of counterparties and legal framework*

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



transaction. The counterparties are located in an OECD member country.

*ii. Financial collateral*

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

*iii. Restrictions on reinvestment of financial collateral received*

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

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

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

*v. Earnings on securities lending activities*

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

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

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

*vi. Remuneration policy for reverse repurchase agreements*

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

*vii. Remuneration policy for repurchase agreements*

This activity does not generate income.

#### 6.5.5 Periodic investor information

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

## 7. Investment restrictions

### 7.1

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

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



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

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

The SICAV may have cause to be party to agreements, under the terms of which financial collateral may be provided under the conditions set in point 10 below.

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

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

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

- investments in transferable securities or money market instruments issued by this entity,
  - deposits with this entity, or
  - exposures arising from OTC derivative transactions entered into with this entity.
- c) The 10% limit specified in point 1 a) above may be raised to a maximum of 35% if the transferable securities and money market instruments are issued or guaranteed by a Member State, by its local authorities, by a non-Member State of the EU or by public international bodies to which one or more Member States belong.
- d) The 10% limit specified in point 1 a) above may be raised to a maximum of 25% in the case of certain bonds when these are issued by a bank which has its registered office in a Member State and which is subject by law to special supervision by the public authorities designed to protect bond-holders. In particular, the sums arising from the issue of these bonds must be invested, according to the legislation, in assets which, throughout the period of validity of the bonds, cover the debts arising from the bonds and which, in the event of the issuer's bankruptcy, would be used for the repayment of the capital and the payment of accrued interest.  
If a sub-fund invests more than 5% of its assets in the bonds referred to in the first paragraph and issued by a single issuer, the total value of these investments may not exceed 80% of the asset value of this sub-fund.
- e) Securities and money market instruments referred to in points 1 c) and d) above must not be taken into account when applying the 40% limit referred to in point 1 b) above.

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



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

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

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

**7.3** Notwithstanding the restrictions specified in point 1 above, sub-funds whose investment policy is to replicate an equity or bond index (hereinafter the "benchmark index"), may raise the limits to a maximum of 20% for investments in equities and/or bonds issued by the same body, provided that:

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

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

#### **7.4**

- (1) A sub-fund may acquire units of the UCITS and/or other UCIs stated under point 1 a) of article 6, provided it does not invest more than 20% of its assets in a single UCITS or other UCI. For the purpose of applying this investment limit, each sub-fund of an umbrella UCI is regarded as a separate issuer, provided the principle of the segregation of the liabilities of the various sub-funds with regard to third parties is ensured.
- (2) Investments in units of UCIs other than UCITS may not exceed in total 30% of the assets of a UCITS. Where a UCITS has acquired units of a UCITS and/or other UCIs, the assets of those UCITS or other UCIs are not combined for the purposes of calculating the limits set down in point 1 above.
- (3) If a sub-fund invests in the shares of another sub-fund of the SICAV or in units of other UCITS and/or other UCIs which are managed, directly or by delegation, by the Management Company or by any other company with which the Management Company is associated as part of a co-management or co-control agreement or by means of a significant direct or indirect shareholding, the Management Company or the other company may not charge subscription or redemption fees for the sub-fund's investment in the units of other UCITS and/or other UCIs.

As some of the SICAV's sub-funds are funds of funds, when they invest in another sub-fund of the SICAV or in other UCITS and/or UCIs (hereinafter "underlyings"), fees and costs are deducted by the sub-fund and by the underlyings. The management fee for the underlyings will be a maximum of 3% per annum.



## 7.5

- a) The SICAV may not acquire shares with a voting right allowing it to exercise a significant influence on the management of an issuer.
- b) The SICAV may not acquire more than:
  - 10% of the non-voting shares issued by a single issuer,
  - 10% of the debt securities of a single issuer,
  - 10% of the money market instruments of a single issuer,
  - 25% of the units in a single UCITS or other UCI.

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

- c) The limits laid down in points 7.5 a) and 7.5 b) above do not apply with regard to:
  - transferable securities and money market instruments issued or guaranteed by a Member State or by its local authorities,
  - transferable securities and money market instruments issued or guaranteed by a non-Member State of the EU,
  - transferable securities and money market instruments issued by public international bodies to which one or more EU Member States belong.

## 7.6

- a) The SICAV may not borrow. However, a sub-fund may acquire currencies through back-to-back loans.
- b)
  - By way of derogation from point a), the sub-funds may borrow provided the loans are temporary and represent a maximum of 10% of their assets,
  - The SICAV may borrow provided the loans permit the acquisition of the immovable property essential to the direct exercise of its activities, and represent a maximum of 10% of its assets.

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

## 7.7

- a) A sub-fund may not grant loans or stand as guarantor in respect of third parties.
- b) Point a) will not prevent the sub-funds from acquiring transferable securities, money market instruments or other financial instruments referred to in points 1 a), 1 g) and 1 h) of article 7, that are not fully paid-up.

**7.8** A sub-fund may not short-sell transferable securities and money market instruments or other financial instruments referred to in points 1 a), 1 g) and 1 h) of article 7.

## 7.9

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





- b) If the limits referred to in paragraph a) are exceeded unintentionally by the sub-fund or as a result of the exercise of the subscription rights, the primary objective of the latter in its selling transactions will be to regularise this situation in the interests of the shareholders.
- c) In the month preceding a closure, cancellation or liquidation transaction, and in the thirty days preceding a sub-fund merger, the investment policy of the sub-funds affected by these operations may be deviated from, as indicated in the Fact Sheets.

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

##### a) General criteria

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

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

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

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

##### b) Types of authorised collateral

The permitted types of financial collateral are as follows:

- cash denominated in a currency of an OECD member state,
- highly rated debt securities (rated at least BBB-/Baa3 or equivalent by one of the ratings agencies) issued by public sector issuers from an OECD country (governments,



supranational bodies, etc.) and of a minimum issue size of EUR 250 million, and a maximum residual maturity of 30 years,

- highly rated debt securities (rated at least BBB-/Baa3 or equivalent by one of the ratings agencies) issued by private sector issuers from an OECD country and of a minimum issue size of EUR 250 million, and a maximum residual maturity of 15 years,
- shares listed or traded on a regulated market of a Member State of the European Union or on a stock exchange of a state which is a member of the OECD provided the shares are included in a significant index,
- shares or units in undertakings for collective investment offering adequate liquidity and investing in money market instruments, highly rated bonds or shares that meet the conditions stated above.

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

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

#### c) Level of financial collateral

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

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

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

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

For over-the-counter derivative financial instruments: During the course of transactions in over-the-counter financial instruments, some sub-funds may hedge transactions by making margin calls in cash in the currency of the sub-fund subject to the restrictions stated in point 7.1 of this Prospectus as regards the counterparty risk.

#### d) Discounting policy

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



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

<b>Asset category</b>	<b>Discount</b>
Cash	0%
Debt securities issued by public sector issuer	0-4%
Debt securities issued by private sector issuer	2-5%
Equities, UCI units/shares	2-8%

e) Restrictions on reinvestment of financial collateral received

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

Collateral received in cash can only be placed with counterparties meeting the above eligibility criteria, invested in highly rated government loans, used for the purpose of reverse repurchase transactions that can be recalled at any time and/or invested in short-term monetary funds, in accordance with the applicable diversification criteria.

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

f) Safekeeping of collateral

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

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

g) Financial collateral in favour of the counterparty

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

h) Periodic investor information

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

## 7.11 Valuation

a) Reverse repurchase and repurchase agreements

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

b) Securities lending

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

c) Collateral

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



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

## 8. Risk factors

The SICAV's sub-funds may be exposed to various risks depending on their investment policy. The principal risks to which the sub-funds may be exposed are shown below. Each Fact Sheet states the non-marginal risks to which the respective sub-fund may be exposed.

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

The risk description below makes no claim, however, to be exhaustive and potential investors should take note firstly of the whole of this Prospectus and secondly of the section entitled "Risk and return profile" in the key investor information documents.

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

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

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

**Credit risk:** risk that an issuer or a counterparty will default. This risk includes the risk of changes in credit spreads and default risk.

Some sub-funds may be exposed to the credit market and/or specific issuers in particular whose prices will change based on the expectations of the market as regards their ability to repay their debt. These sub-funds may also be exposed to the risk that a selected issuer will default, i.e. will be unable to honour its debt repayment, in the form of coupons and/or principal. Depending on whether the sub-fund is positively or negatively positioned on the credit market and/or some issuers in particular, an upward or downward movement respectively of the credit spreads, or a default, may negatively impact the net asset value. When evaluating the credit risk of a financial instrument, the Management Company will never rely solely on external ratings.

**Foreign exchange risk:** foreign exchange risk derives from the sub-fund's direct investments and its investments in forward financial instruments, resulting in exposure to a currency other than its valuation currency. Changes in the exchange rate of this currency in relation to that of the sub-fund may negatively affect the value of assets in the portfolio.

**Counterparty risk:** the sub-funds may use OTC derivative products and/or efficient portfolio management techniques. These transactions may cause a counterparty risk, i.e. losses incurred in connection with commitments contracted with a defaulting counterparty.

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



**Liquidity risk:** liquidity risk is defined as that of a position in the sub-fund's portfolio that cannot be sold, liquidated or closed at a limited cost and within a sufficiently short time, thus jeopardizing the sub-fund's ability to comply at any with its obligations to redeem the shares of shareholders at their request. On certain markets (in particular emerging and high-yield bonds, equities with low market capitalisation, etc.), the quotation spreads may widen under less favourable market conditions, which could impact on the net asset value when assets are purchased or sold. Furthermore, in the event of a crisis on these markets, the securities could also become difficult to trade.

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

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

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

**Concentration risk:** risk related to a significant concentration of investments in a specific asset class or certain markets. This means that changes in these assets or these markets have a significant impact on the sub-fund's portfolio value. The greater the diversification of the sub-fund's portfolio, the smaller the concentration risk. This risk is also greater for instance on more specific markets (certain regions, sectors or themes) than on broadly diversified markets (worldwide distribution).

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

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

**Risk of conflicts of interest:** selection of a counterparty based on reasons other than the sole interest of the SICAV and/or unequal treatment in the management of similar portfolios could be the main sources of conflicts of interest.

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

**Risk associated with derivative financial instruments:** financial derivatives are instruments whose value depends on (or is derived from) one or more underlying financial assets (equities, interest rates, bonds, currencies, etc.). The use of derivatives therefore involves the risk associated with the underlying instruments. They may be used for purposes of exposure or hedging against the underlying assets. Depending on the strategies employed, the use of derivative financial instruments can also entail leverage risks (amplifying downward market movements). In a hedging strategy, the derivative financial instruments may, under certain market conditions, not be perfectly correlated to the assets to be hedged. With options, an unfavourable fluctuation in the price of the underlying assets could cause



the sub-fund to lose all of the premiums paid. OTC financial derivatives also entail a counterparty risk (though this may be attenuated by the assets received as collateral) and may involve a valuation risk or a liquidity risk (difficulty selling or closing open positions).

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

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

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

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

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

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

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

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

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



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

The absence of European-level common or harmonised definitions and labels incorporating ESG and sustainability criteria may give rise to different approaches among the asset managers to fix the ESG objectives and to determine whether these objectives have been achieved by the funds they manage. The pursued methodology excludes or limits exposure to the securities of certain issuers for ESG reasons. As a result, it is possible that certain market conditions will generate financial opportunities that the sub-fund is unable to benefit from.

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

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

Sustainability risks may be subdivided into three categories:

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

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

Possible mitigation measures to manage risk exposure include the following:

- exclusion of controversial activities or issuers
- exclusion of issuers based on sustainability criteria
- inclusion of sustainability risks when issuers are selected or given weightings in the portfolio
- engagement and sound management of the issuers

Where applicable, these mitigation measures are described in the section in the Prospectus describing



the investment policy and/or in the Fact Sheet of each sub-fund.

## 9. Risk management

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

The method of determining the overall risk is established on the basis of the investment policy and strategy of each sub-fund (and notably on the basis of the use of derivative financial instruments).

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

### 1. Commitment method

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

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

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

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

The overall risk assumed by the sub-funds of the SICAV may not exceed 210% of the net asset value.

### 2. Value at risk (VaR) method

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

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

#### a) Relative VaR limit

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

#### b) Absolute VaR limit

The overall risk of all the portfolio positions calculated through the VaR may not exceed an absolute VaR of 20%. This VaR must be calculated on the basis of an analysis of the investment portfolio. If the overall risk is calculated via the VaR method, the expected level of leverage as well as the possibility of a higher level of leverage is referred to in the fact sheet for the sub-fund in question.





## 10. Shares

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

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

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

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

Fractions of shares divided into thousandths may be issued.

## 11. Listing of shares

The shares of the various sub-funds may be listed on the Luxembourg Stock Exchange at the discretion of the Board of Directors.

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

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

### Subscription procedure

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

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

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

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

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

The subscription price for each share is payable in the currency of the relevant sub-fund within the period set out in each Fact Sheet.



The Board of Directors of the SICAV reserves the right to:

- a) refuse all or part of a share subscription application,
- b) at any time, redeem the shares held by persons not authorised to purchase or own shares in the SICAV.

### 13. Redemption of shares

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

#### Redemption procedure

All redemption applications must be sent in writing, by telex or fax to the Transfer Agent. The application must be irrevocable, subject to the stipulations of the chapters "Net Asset Value" and "Suspension of the Calculation of the Net Asset Value and the Issue, Redemption and Conversion of Shares" in this Prospectus must state the number of shares to be redeemed, the sub-fund and class thereof along with any appropriate references in order to carry out the redemption.

The application must be accompanied by the name under which the shares are registered and any documents certifying the transfer.

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

Payment will be made in the currency of the relevant sub-fund, provided that all the documents mentioned above have been received by Transfer Agent within the period set out in each Fact Sheet.

The SICAV may, however, at the discretion of the Board of Directors, grant exceptions on request to individual distributors, allowing them an additional reasonable period of a maximum of 1 hour 30 minutes after the SICAV's official cut-off time in order that they may centralise, aggregate and send orders to the transfer agent, still based on an unknown net asset value. As soon as is reasonably possible after the redemption price has been determined, the Transfer Agent will inform the applicant of the price.

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

As with subscription applications, it is also the responsibility of the Transfer Agent to comply with Luxembourg law, as described in the section entitled "Issue of shares and subscription and payment procedures" in this Prospectus, when a redemption application is submitted.

#### Temporary suspension of redemptions

The right of any shareholder to apply for redemptions from the SICAV will be suspended during any period in which the calculation of the net asset value per share is suspended by the SICAV by virtue of the powers described in the section entitled "*Temporary suspension of the calculation of the net asset value*" in the Prospectus. Any shareholders offering shares for redemption will be notified of this suspension and the end of the suspension. The shares in question will be redeemed on the first Bank Business Day following the lifting of the suspension.

If the suspension continues for more than one month from the notification of the redemption application, the application may be cancelled by giving written notice to the Transfer Agent, provided this notice reaches the Transfer Agent before the end of the suspension.



## Deferred processing of redemptions

If the total redemption orders (including conversion orders from one sub-fund to another sub-fund of the SICAV) received for a sub-fund on a given Valuation Date concern more than 10% of the total net assets of the sub-fund in question, the Board of Directors or Management Company may decide on behalf of the SICAV to defer all or some of these orders exceeding this threshold of 10% for as long as it takes to restore the necessary liquidity to honour these orders, although not in principle more than ten (10) Bank Business Days for each pending redemption and until such time as the sub-fund is able to generate the necessary liquidity to honour the redemption orders. Any redemption order deferred in this way will be treated as a priority over redemption orders on following Valuation Dates.

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

## 14. Conversion of shares

Shareholders may apply for the conversion of all or some of their shares into shares in another class or another sub-fund, provided they meet the necessary criteria, by advising the Transfer Agent in writing, by telex or fax, stating whether the shares to be converted are in registered or bearer form. The notice period required is the same as for redemptions.

The application must be accompanied by the name under which the shares are registered and all documents indicating a possible transfer.

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

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

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

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

- A = the number of shares of the new sub-fund (or class),
- B = the number of shares of the original sub-fund (or class),
- C = the net asset value per share of the original sub-fund (or class) used on the date in question,
- D = the net asset value per share of the new sub-fund (or class) used on the date in question and
- E = the average exchange rate on the date in question between the currency of the sub-fund to be converted and the currency of the sub-fund to be allocated.

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



## 15. Market timing and late trading

The *market timing* and *late trading* practices defined below are formally forbidden in the context of subscription, redemption or conversion orders.

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

- **Market timing**

*Market timing* practices are not permitted.

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

- **Late trading**

*Late trading* practices are not permitted.

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

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

- **Identification of subscribers**

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

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

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

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

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



- **Identification of the risk level of the investment**

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

## 17. Net asset value

The net asset value per share in each sub-fund or operational class as at the date of this Prospectus is determined on each Valuation Date. Any reference to the Valuation Date must be interpreted as any Bank Business Day during which the net asset value of the NAV Date is determined, and as specified in the Fact Sheets.

It is expressed in the currency of the sub-fund or the class and determined, for each share in the respective sub-fund or class, by dividing the net assets attributable to this sub-fund or class by the total number of shares in this sub-fund or class in circulation on this Valuation Date. The net asset value per share is rounded up to the nearest monetary unit or hundredth of the monetary unit of the sub-fund or class.

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

- I. In particular, the SICAV's assets will consist of the following:
  - (a) all cash on hand or on deposit including accrued interest,
  - (b) all notes and bills payable at sight and accounts receivable (including proceeds from the sale of shares where payment has not yet been received),
  - (c) all securities, units, shares, bonds, options or subscription rights and other investments and transferable securities owned by the SICAV,
  - (d) all dividends and distributions receivable by the SICAV (it is understood that the SICAV may make adjustments in the light of fluctuations of the market value of transferable securities resulting from ex-dividend or ex-rights trading or similar practices),
  - (e) all accrued interest from securities owned by the SICAV, unless such interest is included in the principal of the securities,
  - (f) the preliminary expenses of the SICAV insofar as they have not been amortised,
  - (g) all other assets of any kind, including prepaid expenses.

The value of these assets is determined as follows:

- Units in undertakings for collective investment will be valued on the basis of their last available net asset value unless the publication date of the last net asset value is more than 10 Bank Business Days from the Valuation Date, in which case it will be estimated prudently and in good faith and in accordance with generally accepted principles and procedures.
- The value of cash on hand or on deposit, notes and bills payable at sight and accounts receivable, prepaid expenses and dividends and interest announced or due for payment but not yet received, will constitute the nominal value of these assets, except if it is unlikely that the value can be obtained. In the latter case, their value will be determined by deducting an amount considered appropriate by the SICAV to reflect the real value of the assets.



- The valuation of any security listed on an official list or on any other regulated market, operating regularly, recognised and open to the public is based on the latest stock market price known in Luxembourg, on the Valuation Date and, if the security is traded on several markets, on the basis of the latest price known on the main market of that security. If the last known price is not representative, the valuation will be based on the probable realisable value that the Board of Directors will estimate prudently and in good faith.
- Securities not listed or traded on a stock market or regulated market, which operates on a regular basis and is recognised and open to the public, will be valued on the basis of their probable realisable value estimated prudently and in good faith.
- Cash and money market instruments will be valued at their face value plus accrued interest or using the straight-line depreciation method.
  
- All other assets will be valued by the directors on the basis of their probable realisable value, which must be estimated in good faith and according to generally accepted principles and procedures.

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

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

- (a) all borrowings, matured bills and accounts payable,
- (b) all administrative charges, overdue or due (including but not limited to remuneration paid to the SICAV's asset managers, depositaries, representatives and agents),
- (c) all known obligations, whether due or not due, including all contractual obligations payable relating to payments in cash or in kind, where the Valuation Date coincides with the date on which it is determined who is or will be entitled to such payment,
- (d) an appropriate reserve for future taxes on capital and on revenue, accrued up to the Valuation Date and determined periodically by the SICAV and, where necessary, other reserves authorised or approved by the Board of Directors,
- (e) any other liabilities of the SICAV regardless of their nature and type, with the exception of those represented by its own funds. When valuing these other liabilities, the SICAV will take into consideration all its expenses, in particular: incorporation costs, fees and charges payable to counterparties providing a service to the SICAV including management, performance and consulting fees, fees payable to the depositary and correspondent agents, the administrative agent, the transfer agent, the paying agents, etc., including out-of-pocket expenses, legal fees and audit fees, promotional expenses, the cost of printing and publishing the share sales documents and any other document concerning the SICAV such as financial reports, the cost of calling and holding shareholders' meetings and of any amendments to the articles of incorporation, the cost of calling and holding meetings of the Board of Directors, reasonable travel expenses incurred by the directors in carrying out their duties plus attendance allowances, share issue and redemption costs, dividend payment costs, taxes due to the supervisory bodies in foreign countries where the SICAV is registered including fees and charges payable to local permanent representatives, also the costs associated with maintaining registrations, taxes, charges and duties imposed by government authorities, stock exchange listing and follow-on costs, financial, banking or brokerage charges, the expenses and costs connected with subscription to an account or a license or any other request for paid information from financial index



providers, ratings agencies or any other data suppliers, and all other operating expenses and all other administrative charges. When valuing the amount of all or some of these liabilities, the SICAV may estimate regular or periodic administrative and other expenses on the basis of one year or any other period, allocating the amount over that period on a pro rata basis, or may set a fee calculated and paid as described in the sales documents.

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

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

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

- IV. As far as possible, any investments or divestments made by the SICAV up to a given Valuation Date will be taken into account.
- V. The net asset value of each sub-fund will be expressed in the currency selected by the Board of Directors as stated in the Fact Sheets.

Any assets not expressed in the currency of their sub-fund will be converted into the currency of that sub-fund using the exchange rate in force in Luxembourg on the Valuation Date in question.

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

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

- (a) the proceeds from the issue of shares in a sub-fund will be allocated in the SICAV's accounts to the pool of assets set up for that sub-fund, and assets, liabilities, income and expenses relating to that sub-fund will be allocated to that sub-fund's pool of assets,
- (b) the assets derived from other assets will be allocated in the accounts of the SICAV to the same pool of assets as the assets from which they are derived. Whenever an asset is revalued, any increase or reduction in its value will be attributed to the pool of assets of the sub-fund to which the asset belongs,
- (c) all of the liabilities of the SICAV which may be allocated to a given sub-fund will be allocated to the pool of assets of that sub-fund,
- (d) the assets, liabilities, charges and expenses which cannot be allocated to a specific sub-fund will be allocated to the various sub-funds in equal parts, or insofar as the amounts concerned justify it, proportionate to their respective net assets,

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



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

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

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

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

Suspended subscriptions and redemption or conversion applications may be withdrawn by written notice provided this notice is received by the Transfer Agent before the suspension is lifted.

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

## 19. Allocation of income

### 19.1 General principles

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

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

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

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

### 19.2 Dividend distribution policy

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





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

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

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

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

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

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

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

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

- The amount of the dividend does not necessarily depend on income received or capital gains realised by the share class.
- The dividend paid may consist of a capital distribution provided that following such distribution, the net asset value of the SICAV is above the minimum capital requirement under Luxembourg law. The dividend paid may exceed the income of the share class, potentially eroding the invested capital. Shareholders should therefore note that when the dividend is higher than the income generated by the investments in a share class, it may be deducted from the capital of the share class in question and the realised and unrealised capital gains. In some countries, this may result in tax treatment that is detrimental to shareholders. They are therefore advised to evaluate their personal situation with their local tax adviser.

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

- During periods of negative performance of a sub-fund/share class, the dividend will continue to be paid as normal. As a result, the capital value of the investment of the sub-fund/share class may fall more quickly. The value of a shareholder's investment could therefore ultimately be reduced to zero.
- The Board of Directors will periodically revise the fixed distribution share classes, reserving the right to make changes. Changes to the distribution policy will be published on the Management Company website.
- Payment of dividends cannot be guaranteed indefinitely.
- The Board of Directors may decide not to distribute a dividend for a share class or to reduce the amount of the dividend to be distributed.



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

## 20. Separation of the liabilities of the sub-funds

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

## 21. Costs and charges

The fees related to the Management Company activities are set down in the Fact Sheets.

The fees received by the Depositary are set out in the Fact Sheets.

These fees do not include costs and expenses (in respect of electronic communications, telephone, fax, bank confirmation fees, printing, publication or postage) incurred by the Management Company, its delegates and/or the Depositary in carrying out their duties.

The SICAV will assume all operating expenses (including the emoluments and travel costs or other expenses of directors, fees owing to the Depositary and its correspondent banks and the fees and commissions payable to the Management Company and to its delegates, paying agents, permanent representatives at places of registration, independent experts and costs of legal and auditing services), as well as the costs of printing and distributing annual and semi-annual reports, brokerage fees, corporate taxes, duties, contributions and charges payable by the SICAV, as well as the costs of registering the SICAV and the costs of maintaining such registration with all government institutions and stock exchanges, and postage, telephone and telex costs, the expenses and costs connected with subscription to an account or a license or any other request from paid information from financial index suppliers, ratings agencies or any other data suppliers.

In accordance with the Law, the legal, advisory or administrative costs associated with preparing and carrying out the merger of one or more sub-funds of the SICAV may not be charged to the respective sub-funds of the SICAV.

The charges and costs relating to opening a specific sub-fund may be amortised over five years, exclusively in relation to the assets of this new sub-fund.

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

In certain jurisdictions where the shares of the SICAV are marketed, investors may be charged by a local paying agent in return for the services provided.

### **Outperformance fee**

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

#### **PERMANENT HWM MODEL**

##### **Reference indicator**

The reference indicator is made up of the two following elements:

- A high water mark (HWM) corresponding to a first reference asset based on the highest NAV achieved at the end of a financial year from 31/03/2022, independently of any outperformance fee paid.

Given that an HWM model is already use before 31/03/2022, the HWM defined in the previous



financial year may be kept for the subsequent financial year if the NAV dated 31/03/2022 is below this HWM. If the NAV is above this HWM, the new HWM will correspond to the NAV dated 31/03/2022.

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

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

Using a HWM guarantees that investors will not be billed for an outperformance fee while the NAV remains below the highest NAV achieved at the end of a financial year from 31/03/2022.

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

### **Method for calculating the outperformance fee**

As the NAV is different for each class of shares, the outperformance fees are calculated independently for each share class, producing fees of different amounts.

The outperformance fee is calculated with the same frequency as the NAV calculation.

The outperformance fee is included in the NAV calculation.

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

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

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

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

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

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

### **Reference period**

The reference period corresponds to the full term of the sub-fund or share class.

In general, the outperformance fee is determined for each 12 month period corresponding to the financial year.



## Crystallisation

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

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

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

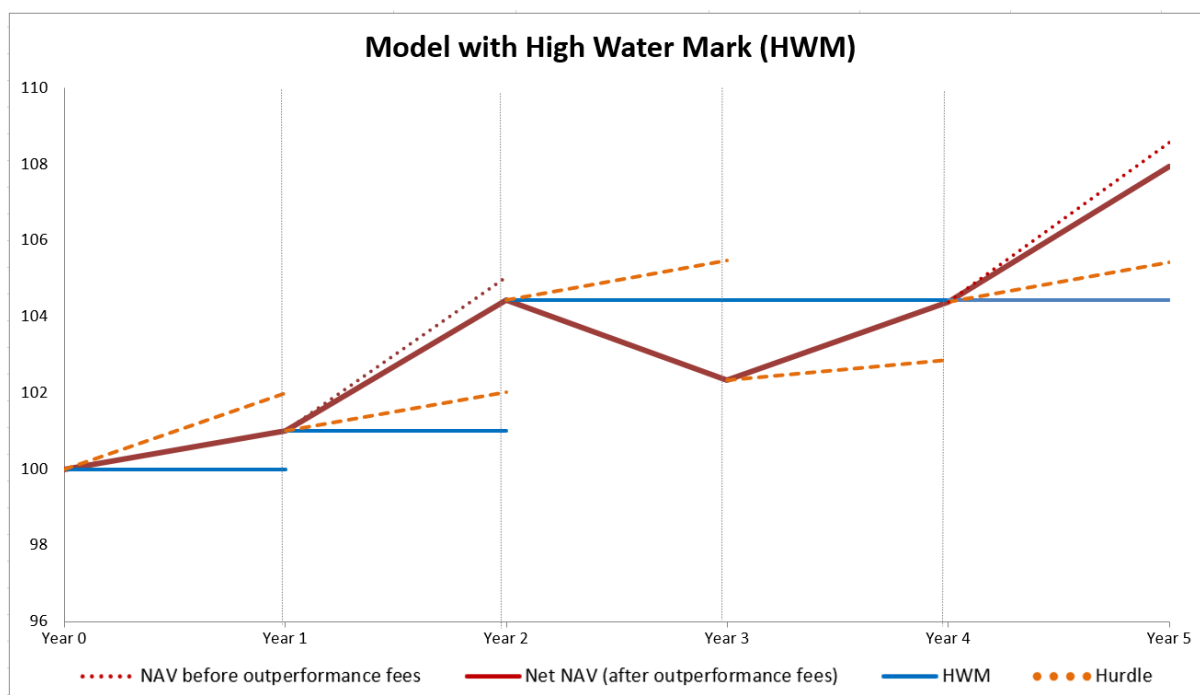
- in the event of merger/liquidation of the sub-fund/share class during a financial year,
- if the outperformance mechanism changes.

## Clawback of negative performances

In the event of negative performance recorded during a financial year, the underperformance will be carried over to the following financial year. The HWM will in this case remain identical to that of the previous financial year.

As for the hurdle, it is reinitialised at the start of each financial year regardless of whether an outperformance fee has been crystallised or not.

## Examples illustrating the outperformance fee model applied



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

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

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



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

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

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

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

## 22. Taxation

### 22.1 Taxation of the SICAV

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

However, the SICAV is liable in Luxembourg to an annual tax ("taxe d'abonnement") representing 0.05% of the net asset value of the SICAV. This tax is reduced to 0.01% for classes reserved for institutional investors.

This rate is reduced to 0%, however, for the assets of the SICAV which are invested in the units of other UCITS subject to a subscription tax in Luxembourg.

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

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

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

### 22.2 Taxation of shareholders

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

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



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

## 23. General meetings

An annual general meeting of shareholders of each sub-fund of the SICAV is held each year at the SICAV's registered office, or any other place in Luxembourg as set out the meeting notice. It will take place within six months of the end of the financial year.

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

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

The requirements concerning participation, quorum and majority during any general meeting will be those set down in the SICAV's articles of incorporation.

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

### a) Closure, cancellation and liquidation of sub-funds, classes or share type(s)

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

This decision may notably be made in the following circumstances:

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

This decision of the Board of Directors will be published as described in 24.2 below.

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

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

### b) Merger of sub-funds, share classes or share types

- 1) Merger of share classes or share types



Under the circumstances indicated in article 24.1. above, the Board of Directors may decide to merge one or more share classes or share types of the SICAV.

This decision of the Board of Directors will be published as described in 24.2 below.

This publication will be made at least one month before the date the merger becomes effective so as to allow shareholders to apply for the redemption or repayment of their shares free of charge.

## 2) Merger of sub-funds

Under the circumstances indicated in article 24.1) above, the Board of Directors may decide to merge one or more sub-funds of the SICAV with each other or with another UCITS coming under Directive 2009/65/EC under the conditions set down in the Law.

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

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

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

From the date this information is communicated, shareholders will have a period of 30 days during which they will have the right, free of charge apart from amounts deducted by the SICAV to cover the divestment costs, to apply for the redemption or repayment of their shares or, where applicable, based on the decision of the Board of Directors, the conversion of their shares into shares of another sub-fund or another UCITS with a similar investment policy and managed by the Management Company or by any other company with which the Management Company is associated through a relationship of common management or common control or through a significant direct or indirect shareholding. This 30-day period will expire five Bank Business Days before the calculation date of the exchange ratio.

## c) Demerger of sub-funds, share classes or share types

Under the same circumstances as indicated in article 24.1 above, the Board of Directors may also, if it deems it appropriate in the interests of the shareholders of a sub-fund, class or type of share, decide to divide this sub-fund, share class or share type into one or more sub-funds, share classes or share types.

This decision of the Board of Directors will be published as described in 24.2 below.

This publication will be made at least one month before the date the demerger becomes effective so as to allow shareholders to apply for the redemption or repayment of their shares free of charge.

## d) Liquidation of the SICAV

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

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

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



The liquidation of the SICAV, whether court-ordered or otherwise, will be carried out in accordance with the Law and the articles of incorporation.

In the event of a non-court ordered liquidation, the process will be carried out by one or more liquidators who will be appointed by the general meeting of shareholders, which will determine their powers and remuneration.

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

## 25. Shareholder information

### 1) Publication of the net asset value

The net asset value per share of each sub-fund and/or per share class of each sub-fund, together with the issue, redemption and conversion prices will be published on each Valuation Date and will be available from the registered office of the SICAV in Luxembourg and from the financial services authorities in the countries where the SICAV is marketed.

The net asset value may also be published in one or more newspapers selected freely from time to time by the Board of Directors.

### 2) Financial notices and other information

Financial notices and other information will be sent to shareholders at their addresses in the register of shareholders in accordance with the legislation in force.

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

### 3) Financial year and reports to shareholders

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

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

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

### 4) Documents of the SICAV

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

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

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

### 5) Auditors

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

### 6) Additional information

In order to meet regulatory and/or tax requirements, the Management Company may, over and above





the legal publications, communicate to investors requesting it the SICAV's portfolio composition and all information relating to it.

**7) Information for investors located in Asia**

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



## Fact Sheet Candriam Absolute Return Equity Market Neutral

This sub-fund does not have sustainable investment as its objective and does not specifically promote environmental and/or social characteristics, as described in the SFDR Regulation.

### 1. Investment objective of the sub-fund and investor profile

The objective of the sub-fund is to use quantitative and qualitative discretionary management to benefit from the performance of the global equities market with an "equity market neutral" management style, and to outperform the benchmark.

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

### 2. Investment policy

This sub-fund primarily uses the following assets and techniques:

1. Within the scope of the implementation of the investment strategy:

- Equities and/or securities equivalent to equities of companies from developed and/or emerging countries, of any capitalisation,
- Forward contracts (futures, options and swaps) on regulated or OTC markets. These products are used for the purposes of exposure, arbitrage or hedging. The underlyings of these derivative financial instruments can be:

- Equities and/or securities equivalent to equities
- Equities indices
- Units in undertakings for collective investment
- Currencies, for hedging purposes

- Securities lending,
- Exchange traded notes on equities indices,
- Units in undertakings for collective investment.

Total return swaps may relate to a maximum of 400% of the net assets of the sub-fund. The proportion is normally expected to vary between 100 % and 200 %.

2. Within the context of cash management:

- Money market instruments with a short-term rating of at least A-2 when acquired (or equivalent) from one of the ratings agencies, issued by all types of issuers,
- Reverse repo and repo transactions,
- Bonds and other debt securities with a short-term rating of at least A-2 when acquired (or equivalent) from one of the ratings agencies, issued by all types of issuers,
- Transferable securities or equivalent money market instruments other than those described above, deposits or cash.

Investments in undertakings for collective investment are limited to 10% of the assets.

The sub-fund is managed with a maximum target net exposure to equity markets of 25%. The gross exposure to equity markets is limited to 400%.

The foreign exchange risk will not exceed 20% of the net assets.

In order to achieve its management objective, the sub-fund adopts a management style known as "equity market neutral". In other words the Asset Manager will simultaneously take buying positions in equities which it believes, all other factors being equal, have the potential to appreciate, and selling positions in other equities. Selling positions are based solely on derivative financial instruments. This management style makes it possible to maintain a limited net exposure to equity markets.



## 1) Identification of investment opportunities

Any statistical arbitrage strategy on equities, presenting a risk/yield ratio in line with the sub-fund's objective, is eligible within the sub-fund's investment universe, such as, for example:

- event-driven arbitrage such as index readjustments:

The Asset Manager identifies the equities whose prices will be impacted by a status change in the equities indices, for example when a security is added to or removed from an equities index. The sub-fund will then take buying or selling positions in the securities thus identified in order to profit from the inefficiencies generated by this event. The Asset Manager selects the most appropriate hedging, such as via indices, a basket of securities or a comparable security.

- bottom-up selection of equities:

The Asset Manager will select equities whose prices do not reflect certain of their characteristics. Examples include companies with attractive quality fundamentals and valuation levels or companies with worsening fundamentals and unattractive valuation levels. The sub-fund may take buying or selling positions in the securities identified in this way. The Asset Manager will select the most appropriate hedging, such as via indices, a basket of securities or a comparable security.

- relative value arbitrage such as arbitrage on equity pairs:

The Asset Manager analyses the ratio between the prices of two comparable assets (equities or baskets of equities), for example two companies in the same sector operating in similar markets. When the ratio diverges from its mean value, the sub-fund takes a buying position in the least expensive asset and a selling position in the most expensive asset.

## 2) Quantitative analysis and qualitative analysis

The Asset Manager employs strategies using quantitative analyses refined by qualitative analyses.

- Quantitative analyses

The Asset Manager quantitatively measures the relevance of the statistical arbitrage opportunities identified. It has ascertained in advance that the sources of inefficiency have an economic basis and that the environment is reasonably favourable to them.

- Qualitative analyses

The Asset Manager performs qualitative analyses in order to verify the relevance of the results from the quantitative analyses. Specifically the Asset Manager may consider the microeconomic environment of the equities in which it is likely to take a position, the valuation multiples, publication dates for the accounts, the performance of comparable equities, their geographical exposure, their shareholder structure, etc.

**Investors' attention is drawn to the fact that derivative financial instruments carry risks which differ from those associated with traditional instruments and in some cases carry higher risks.**

**Derivative financial instruments are characterised, among other things, by the fact that the initial investment (initial margin) is far lower than the nominal contract amount, thereby generating significant leverage.**

In order to take account of the sustainability risk, the investment strategy excludes companies that are significantly exposed to controversial activities (notably tobacco, thermal coal and weapons).

The details of Candriam's Controversial Activity Policy are available on the Management Company's website at: <https://www.candriam.com/en/professional/market-insights/sri-publications>.

The sub-fund seeks to exclude companies which:

- 1) fail to meet the criteria of a normative exclusion filter taking account of their environmental, social and governance practices and adherence to standards such as the United Nations Global Compact and the OECD's Guidelines for Multinational Enterprises. This filter seeks to exclude the companies which are the most seriously in breach of these normative principles



and which present both material and severe structural risks in terms of environmental, social and governance factors; and/or

- 2) are significantly exposed to controversial activities such as tobacco or thermal coal. The strategy does not allow investment in companies that manufacture, use or hold anti-personnel mines, cluster bombs, or chemical, biological, white phosphorus, nuclear and depleted uranium weapons.

“Negative” (short-selling) exposure is authorised on these companies but not if they are exposed to controversial weapons subject to a legal exclusion.

These exclusions are applicable to direct line and/or UCI/UCITS investments of which Candriam is the Management Company.

The sub-fund does not take systematic account of the principal adverse impacts of investment decisions on sustainability factors (hereinafter the "PAIs") for one or more of the following reasons:

- Some or all of the issuing companies do not provide sufficient PAI data
- The PAI aspects are not considered to be predominant elements in the sub-fund's investment process
- The sub-fund invests in derivative financial instruments for which the PAI aspects have not yet been taken into consideration or been defined.

The analysis and selection process is also accompanied – where applicable indirectly through the underlying fund(s) – by active involvement, in particular dialogue with companies and voting as the shareholder at AGMs.

The details of Candriam's engagement and voting policies are available on the Candriam website using these links:

[https://www.candriam.com/4b0e56/siteassets/medias/publications/brochure/corporate-brochures-and-reports/engagement-policy/candriam\\_engagement\\_policy.pdf](https://www.candriam.com/4b0e56/siteassets/medias/publications/brochure/corporate-brochures-and-reports/engagement-policy/candriam_engagement_policy.pdf)

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

### 3. Benchmark

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

<b>Benchmark name</b>	€STR
<b>Benchmark definition</b>	Short term rate in euros that reflects unsecured overnight borrowing costs in euros for banks in the euro zone.
<b>Use of the benchmark</b>	<ul style="list-style-type: none"> <li>• to compare performance,</li> <li>• to calculate the outperformance fee for some share classes.</li> </ul> <p>For share classes in currencies other than the currency of the sub-fund, another corresponding index may be used in order to calculate outperformance fees as applicable (see "Outperformance fee" below) and/or to compare performance</p>
<b>Benchmark provider</b>	<p>European Central Bank</p> <p>The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company.</p>



#### **4. Efficient portfolio management techniques**

The sub-fund will use securities lending transactions in a proportion which may vary between 0% and 25% of the net assets of the portfolio, and which may correspond to a maximum of 50% of the net assets of the portfolio, under certain market conditions.

Under no circumstances will such transactions be carried out when the market conditions allow income to be generated for the sub-fund.

The sub-fund will use reverse repurchase agreements in a proportion which may vary between 50% and 75% of the net assets of the portfolio, and which may correspond to a maximum of 100% of the net assets of the portfolio.

The sub-fund will regularly use reverse repurchase agreements. Under no circumstances will these transactions be carried out unless a cash investment based on such a transaction is justified.

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

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

#### **5. Risk factors and risk management**

##### **5.1. Risk factors**

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

##### **5.2. Risk management**

The total derivatives exposure will be calculated using the absolute VaR approach as described in the section entitled Risk management.

The total risk of all the portfolio derivative positions may not exceed an absolute VaR of 20%. This VaR uses a confidence level of 99% and a timeframe of 20 days.

The expected leverage of this sub-fund must not exceed 400%. This leverage will be calculated for each derivative instrument according to the notional value method and is added to the securities portfolio of the sub-fund. The sub-fund could, however, be exposed to a higher leverage.

**6. Form of shares:** registered shares only.

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



## 8. Share classes:

- C class capitalisation shares [LU1819523264]
- C-H class capitalisation shares, denominated in CHF [LU1819523348]
- C-H class capitalisation shares, denominated in GBP [LU1819523421]
- C-H class capitalisation shares, denominated in SEK [LU2417678336]
- C-H class capitalisation shares, denominated in USD [LU2249756789]
- I class capitalisation shares, denominated in EUR [LU1962513328]
- I-H class capitalisation shares, denominated in USD [LU2249756862]
- I-H class capitalisation shares, denominated in CHF [LU2249756946]
- I-H Class capitalisation shares, denominated in GBP [LU2470968335]
- I2 class capitalisation shares, denominated in EUR [LU1962513914]
- PI class capitalisation shares [LU1819523694]
- R class capitalisation shares, denominated in EUR [LU2337324433]
- R-H class capitalisation shares, denominated in USD [LU2337324516]
- R-H class capitalisation shares, denominated in CHF [LU2337324607]
- R2 class capitalisation shares [LU1819523777]
- R2 class distribution shares [LU1819523850]
- S class capitalisation shares [LU1819523934]
- S5-H class capitalisation shares, denominated in GBP [LU2470968418]
- V class capitalisation shares [LU1819524072]
- V-H class capitalisation shares, denominated in CHF [LU1819524155]
- V-H class capitalisation shares, denominated in GBP [LU1819524239]
- V-H class capitalisation shares, denominated in USD [LU1962514565]
- Z class capitalisation shares [LU1819524312]
- Z class distribution shares [LU1819524403]

## 9. Minimum initial subscription:

- C, I, I2, R, R2 and Z classes: no minimum initial subscription
- PI class: 1,000,000 EUR
- V class: EUR 15,000,000 or the equivalent in foreign currencies for classes denominated in foreign currencies.
- S class: 25,000,000 EUR
- S5 class: EUR 200,000,000 or the equivalent in foreign currencies for classes denominated in foreign currencies.

These amounts may be changed at the discretion of the Board of Directors, provided that equal treatment of shareholders is assured on the same Valuation Date.

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

## 11. Subscription, redemption and conversion arrangements:

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

In exceptional circumstances, this period may be extended without exceeding four (4) Bank Business Days following the applicable Valuation Date. Any repayment delayed in this way will be given priority over other repayments for redemption requests concerning subsequent Valuation Dates.



## 12. Costs and charges

	Issue for the sub-fund	Conversion	Redemption	Management	Administration	Depository
<b>C</b>	Max. 5%	0%	0%	Max. 1.50%	Max. 0.07%	Max. 0.05%
<b>I</b>	Max. 5%	0%	0%	Max. 1.20%	Max. 0.07%	Max. 0.05%
<b>I2</b>	Max. 5%	0%	0%	Max. 1.80%	Max. 0.07%	Max. 0.05%
<b>PI</b>	Max. 5%	0%	0%	Max. 1.20%	Max. 0.07%	Max. 0.05%
<b>R</b>	Max. 5%	0%	0%	Max. 1.20%	Max. 0.07%	Max. 0.05%
<b>R2</b>	Max. 5%	0%	0%	Max. 0.60%	Max. 0.07%	Max. 0.05%
<b>S</b>	Max. 5%	0%	0%	Max. 0.60%	Max. 0.07%	Max. 0.05%
<b>S5</b>	Max. 5%	0%	0%	Max. 0.50%	Max. 0.07%	Max. 0.05%
<b>V</b>	Max. 5%	0%	0%	Max. 1.20%	Max. 0.07%	Max. 0.05%
<b>Z</b>	Max. 5%	0%	0%	0%	Max. 0.07%	Max. 0.05%

*These fees are expressed as an annual percentage of the average net asset value of the sub-fund. The management fee is payable at the end of each month and the administration fee is payable at the end of each quarter.*

### Outperformance fee

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

Class	Currency	ISIN	Provisioning rate	Minimum return rate	Methodology
C	EUR	LU1819523264	20%	€STR (floored at 0)	Permanent High Water Mark
I	EUR	LU1962513328			
PI	EUR	LU1819523694			
R	EUR	LU2337324433	20%		
R2	EUR	LU1819523777			
R2	EUR	LU1819523850			
S	EUR	LU1819523934			
V	EUR	LU1819524072			
Z	EUR	LU1819524312			
Z	EUR	LU1819524403			
C	CHF	LU1819523348		Capitalised SARON (floored at 0)	
I	CHF	LU2249756946			
R	CHF	LU2337324607			
V	CHF	LU1819524155		SONIA (floored at 0)	
C	GBP	LU1819523421			
I	GBP	LU2470968335			
S5	GBP	LU2470968418	Capitalised SWESTR (floored at 0)		
V	GBP	LU1819524239			
C	SEK	LU2417678336	Fed Funds (floored at 0)		
C	USD	LU2249756789			
I	USD	LU2249756862			
R	USD	LU2337324516			
V	USD	LU1962514565			

This Fact Sheet forms an integral part of the Prospectus dated 1 July 2022.