

# Candriam Emerging Markets ESG Bonds

a sub-fund of ABN AMRO Funds

## Key Information Document - Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

## Product

### AH USD Capitalisation (LU2041742292)

Candriam Emerging Markets ESG Bonds is authorised in Luxembourg and regulated by the Commission de Surveillance du Secteur Financier (CSSF). This product is managed by ABN AMRO Investment Solutions, an investment management company of the ABN Amro Group, which is authorised in Luxembourg and supervised by the Commission de Surveillance du Secteur Financier (CSSF). For more information on this product, please refer to [www.abnamroinvestmentsolutions.com](http://www.abnamroinvestmentsolutions.com) or call +33156219612

**Accurate as of: 29 March 2024**

## What is this product?

### Type

This product is an investment fund.

### Term

The Fund is established for an unlimited duration, with the possibility for the Board of Directors to decide the termination of the Fund at its sole discretion.

### Objectives

Candriam Emerging Markets ESG Bonds belongs to the category of Single Manager Funds.

The Fund seeks to increase the value of its assets over the medium term by investing predominantly in debt securities (with no rating constraints) of issuers located in, or having their registered office, or exercising a preponderant part of their economic activities in emerging countries. The Fund may also use derivatives on this type of asset for investment and hedging purposes.

Selection of investments will rely on a combination of extra-financial (Environment, Social and Governance) and financial criteria.

The sub-fund promotes environmental and social characteristics and qualifies as an investment product in accordance with article 8(1) of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector. The portfolio will be composed of issuers that are either leading in ESG best-practice or attractive due to their progression in ESG.

The ESG universe consists of best positioned companies based on the scores resulting from the Business Activities and Stakeholder Analysis and which have also passed the Norms-based Analysis and the Armament & Controversial Activities reviews.

In order to assess the issuers ESG processes, the manager has developed an internal ESG analysis process by type of issuer: companies (private issuers), countries (state issuers), supranational organisations and adapted to debt issuers.

Corporate issuers are evaluated on the basis of an analysis of the business activities (how companies' activities address the key sustainable challenges...) and of the stakeholders (how companies manage material stakeholder issues including employees, environment...).

In addition, the fund aims to exclude companies that (i) have significantly and repeatedly breached one of the principles of the United Nations Global Compact; (ii) are significantly exposed to controversial activities (tobacco, thermal coal, alcohol, weapons and unconventional oil & gas production...) (iii) manufacture, use or biological, white phosphorus, depleted uranium and nuclear weapons; and/or (iv) are exposed to countries considered as highly oppressive regimes.

Sovereign Issuers (countries) are analysed and rated according to how they manage their human, natural and social capital in addition to economic capital, and which are not considered as highly oppressive regimes and/or are at risk from the perspective of terrorism financing and/or money laundering.

In addition, countries whose regimes are considered highly oppressive and/or are at risk from the perspective of terrorism financing and/or money laundering are excluded.

As part of the Management Company's Sustainable Investment Policy, the sub-fund complies with the exclusion rules of article 8 investment product.

All direct corporate bonds and sovereign bond portfolio holdings are covered by the extra-financial analysis. At least 20% is excluded on the country side exclusion due to the extra-financial and exclusion analysis. Methodological limitations can be assessed in terms of: nature of ESG information (quantification of qualitative data), ESG coverage (some data are not available for certain issuers) and homogeneity of ESG data (methodological differences).

The minimum asset allocation in such securities on a consolidated basis (direct and indirect investments) will be of 60% of the Fund's net assets.

In addition, the Fund may invest up to 40% of its total net assets in other bonds or securities.

The Fund may be exposed to equities through conversion to equities of Convertibles bonds.

The Fund may not invest in defaulted assets but may invest in Distressed Assets up to 10% of the Fund's net assets.

This Fund is actively managed and is compared to the 50% JPM EMBI Global Diversified USD Index + 50% JPM CEMBI Broad Diversified USD Index for performance and risk level indicator purposes. However, the reference to this index does not constitute any objective or limitation in the management and composition of the portfolio and the Fund does not restrain its universe to the index components. The index does not evaluate or include its constituents on the basis of environmental and/or social characteristics and is therefore not aligned with the ESG characteristics promoted by the sub-fund.

Therefore returns may deviate materially from the performance of the reference index.

The base currency of the Fund is EUR.

Income is systematically reinvested.

Investors are able to redeem on a daily basis (on Luxembourg bank business days).

## Intended retail investor

This product is intended for investors who plan to stay invested for at least 3 years and are prepared to take on a medium-low level of risk of loss to their original capital in order to get a higher potential return. It is designed to form part of a portfolio of investments.

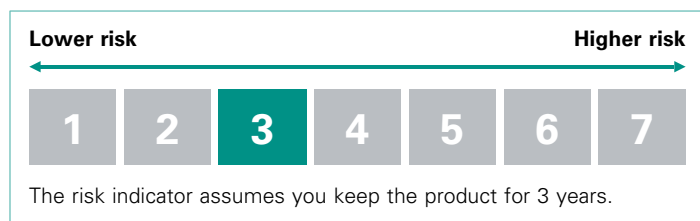
## Practical information

**Custodian Bank** State Street Bank International GmbH, Luxembourg Branch.

**Further information** Further information about the Fund, the prospectus and the latest annual and semi-annual report may be obtained free of charge, in English, from the Management Company, the local agents or online at [www.abnamroinvestmentsolutions.com](http://www.abnamroinvestmentsolutions.com).

## What are the risks and what could I get in return?

### Risks



We have classified this product as 3 out of 7, which is a medium-low risk class.

This rates the potential losses from future performance at a medium-low level, and poor market conditions are unlikely to impact the capacity of ABN AMRO Investment Solutions to pay you.

**Be aware of currency risk.** You will receive payments in a different currency, so the final return you will get depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

Beside the risks included in the risk indicator, other risks may affect the fund performance. Please refer to the fund prospectus, available free of charge at [www.abnamroinvestmentsolutions.com](http://www.abnamroinvestmentsolutions.com).

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

### Performance scenarios

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

**What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted.**

**The unfavourable, moderate, and favourable scenarios shown are illustrations using the worst, average, and best performance of the product over the last 10 years. Markets could develop very differently in the future.**

The stress scenario shows what you might get back in extreme market circumstances.

**Unfavourable:** this type of scenario occurred for an investment between October 2019 and October 2022.

**Moderate:** this type of scenario occurred for an investment between November 2017 and November 2020.

**Favourable:** this type of scenario occurred for an investment between December 2014 and December 2017.

Recommended holding period		3 years	
Example Investment		10,000 USD	
Scenarios		if you exit after 1 year	if you exit after 3 years (recommended holding period)
Minimum	There is no minimum guaranteed return. You could lose some or all of your investment.		
Stress	What you might get back after costs Average return each year	5,220 USD -47.8%	7,570 USD -8.9%
Unfavourable	What you might get back after costs Average return each year	7,630 USD -23.7%	7,720 USD -8.3%
Moderate	What you might get back after costs Average return each year	9,740 USD -2.6%	10,700 USD 2.3%
Favourable	What you might get back after costs Average return each year	10,740 USD 7.4%	11,380 USD 4.4%

## What happens if ABN AMRO Funds Candriam Emerging Markets ESG Bonds is unable to pay out?

If we are not able to pay you out what we owe you, you are not covered by any national compensation scheme. To protect you, the assets are held with a separate company, a depositary. Should we default, the depositary would liquidate the investments and distribute the proceeds to the investors. In the worst case, however, you could lose your entire investment.

## What are the costs?

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

### Costs over time

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed:

- in the first year you would get back the amount that you invested (0% annual return). For the other holding periods we have assumed the product performs as shown in the moderate scenario,
- 10,000 USD is invested.

Example Investment 10,000 USD	if you exit after 1 year	if you exit after 3 years (recommended holding period)
<b>Total Costs</b>	<b>766 USD</b>	<b>1,099 USD</b>
<b>Annual cost impact*</b>	<b>7.6%</b>	<b>3.9% each year</b>

(\*) This illustrates how costs reduce your return each year over the holding period. For example it shows that if you exit at the recommended holding period your average return per year is projected to be 6.2% before costs and 2.3% after costs.

### Composition of costs

One-off costs upon entry or exit		Annual cost impact if you exit after 1 year
<b>Entry costs</b>	<b>5.00%</b> of the amount you pay in when entering this investment. This is the most you will be charged. The person selling you the product will inform you of the actual charge.	<b>Up to 500 USD</b>
<b>Exit costs</b>	<b>1.00%</b> of your investment before it is paid out to you. This is the most you will be charged. The person selling you the product will inform you of the actual charge.	<b>100 USD</b>
Ongoing costs taken each year		Annual cost impact if you exit after 1 year
<b>Management fees and other administrative or operating costs</b>	<b>1.20%</b> of the value of your investment per year. This is an estimate based on actual costs over the last year.	<b>120 USD</b>
<b>Transaction costs</b>	<b>0.46%</b> of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the underlying investments for the product. The actual amount will vary depending on how much we buy and sell.	<b>46 USD</b>
Incidental costs taken under specific conditions		Annual cost impact if you exit after 1 year
<b>Performance fees</b>	There is no performance fee for this product.	<b>0 USD</b>

### How long should I hold it and can I take money out early?

#### Recommended holding period: 3 years

This product is designed for longer term investments; you should be prepared to stay invested for at least 3 years. However, you can redeem your investment without penalty at any time during this period, or hold the investment longer. Redemptions are possible on every bank business day in Luxembourg; it will take 2 working days for you to be paid. The price for the day, reflecting the actual value of the fund, is set each day at noon, and published on our website [www.abnamroinvestmentsolutions.com](http://www.abnamroinvestmentsolutions.com).

### How can I complain?

You can send your complaint to the fund's management company at 119-121 boulevard Haussmann, 75008 Paris, France or by e-mail to [aais.contact@fr.abnamro.com](mailto:aais.contact@fr.abnamro.com).

If you have a complaint about the person that advised you about this product, or who sold it to you, they will tell you where to complain.

### Other relevant information

**Cost, performance and risk** The cost, performance and risk calculations included in this key information document follow the methodology prescribed by EU rules. Note that the performance scenarios calculated above are derived exclusively from the past performance of the Company's share price and that past performance is not a guide to future returns. Therefore, your investment may be at risk and you may not get back the returns illustrated. Investors should not base their investment decisions solely upon the scenarios shown.

**Performance scenarios** You can find previous performance scenarios updated on a monthly basis at [www.abnamroinvestmentsolutions.com](http://www.abnamroinvestmentsolutions.com).

**Past performance** You can download the past performance over the last 3 years from our website at [www.abnamroinvestmentsolutions.com](http://www.abnamroinvestmentsolutions.com).

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