PROSPECTUS

# Candriam Long Short Credit

**07 October 2024**

*This Prospectus may be translated into other languages. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in any translation, the French text shall prevail.*

# I. GENERAL CHARACTERISTICS

**Name: CANDRIAM LONG SHORT CREDIT**

**Legal form of the UCITS:** Fonds Commun de Placement (FCP) under French law.

**Creation date and anticipated term:** Formed on 27/10/2009 for a term of 99 years. The management company was changed from Candriam France to Candriam on 1 July 2022.

| Unit | ISIN code | Allocation of distributable amounts | Currency | Minimum amount of subscription | | Original net asset value | Type of subscriber | Foreign exchange risk hedging |
|---|---|---|---|---|---|---|---|---|
| | | | | initial *(*)* | subscriptions | | | |
| Classique | FR0010760694 | Capitalisation | EUR | None | None | EUR 10,000.00 (*) | All subscribers | - |
| C in CHF | FR0011352566 | Capitalisation | CHF | None | None | CHF 1,000.00 | All subscribers | Full and systematic against the euro |
| C in USD | FR0013446358 | Capitalisation | USD | EUR 250,000.00 or equivalent in USD | None | USD 1,500.00 | All subscribers | Full and systematic against the euro |
| V | FR0011510031 | Capitalisation | EUR | EUR 25,000,000.00 | None | EUR 1,000.00 | All subscribers | - |
| V in CHF | FR0011910470 | Capitalisation | CHF | EUR 25,000,000.00 or equivalent in CHF | None | CHF 1,000.00 | All subscribers | Full and systematic against the euro |
| R | FR0011510056 | Capitalisation | EUR | None | None | EUR 100.00 | Financial intermediaries (including distributors and platforms) which: (i) have different arrangements with their clients for the provision of investment services in connection with the fund, and (ii) as a result of their applicable laws and regulations, are not entitled to receive duties, fees and other monetary benefits from the Management Company in connection with the provision of the above-mentioned investment services. | - |
| R2 | FR0013254000 | Capitalisation | EUR | None | None | EUR 150.00 | Management mandates between a client and Belfius Banque in which financial management is delegated to Candriam and for which Belfius Banque does not receive any form of remuneration from a Candriam Group entity | - |
| RS | FR0013325081 | Capitalisation | EUR | EUR 100,000,000.00 | None | EUR 150.00 | Distributors and intermediaries appointed by the Management Company who will not receive any compensation from the Management Company | - |
| Z | FR0013254018 | Capitalisation | EUR | None | None | EUR 1,500.00 | UCIs approved by the Management Company and managed by a Candriam Group entity. | - |
| VB | FR001400S821 | Capitalisation | EUR | None | None | EUR 1,000.00 | UCIs governed by Belgian law approved by the Management Company. | - |

*(*) Net asset value divided by 10 on 20/02/2013.*
*(**)The minimum initial subscription amount will not apply to the Management Company, to Candriam Group entities or funds managed by Group entities.*

## Place where the latest annual and interim reports can be obtained

The latest annual and interim reports will be sent to the unitholder within one week of a request to:

**CANDRIAM**
SERENITY – Bloc B
19-21 route d'Arlon
L-8009 Strassen (Grand Duchy of Luxembourg)

**Candriam – Succursale Française**
40, rue Washington
75408 Paris Cedex 08
Tel: 01.53.93.40.00
www.candriam.com
contact: https://www.candriam.fr/contact/

For further clarification, please contact the Management Company at the address shown above.

## Place where latest voting policy can be obtained

The "voting policy" document and the report on the conditions under which the voting rights were exercised can be consulted at the registered office of the Management Company or sent out to any holder who so requests from:

**CANDRIAM**
SERENITY – Bloc B
19-21 route d'Arlon
L-8009 Strassen (Grand Duchy of Luxembourg)

**Candriam - Succursale Française**
40, rue Washington
75408 Paris Cedex 08
Tel: 01.53.93.40.00

In order to meet regulatory requirements, the Management Company may, over and above the legal publications, communicate the fund's portfolio composition to certain professional investors.

In accordance with the provisions of the French 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, "GDPR"), the Management Company collects, stores and processes, by electronic or other means, the personal data of investors for the purpose of providing the services requested by the investors and complying with its legal and regulatory obligations. The personal data processed by the Management Company includes, in particular, the name, contact details (including postal or email address), the tax identification number (TIN), banking details, invested amount and holdings in the fund ("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 subscription application for units. Investors are entitled: (i) to consult their Personal Data (including, in certain cases, in a format in widespread use which is machine readable); (ii) to have their Personal Data corrected (if it is incorrect or incomplete); (iii) to have their Personal Data deleted if the Management Company or the fund no longer has a legitimate reason to process it; (iv) to impose a limit on the processing of their Personal Data; (v) to prevent their Personal Data being processed by the Management Company under certain circumstances; and (vi) to file a complaint with the relevant regulator by writing to the Management Company at the address of its registered office. Personal Data is processed, in particular, for the following purposes: processing subscriptions, redemptions and conversions of units 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 French or foreign laws and regulations

(including laws and regulations relating to FATCA or CRS. CRS is the Common Reporting Standard, an information standard for the automatic exchange of information regarding bank accounts between tax authorities, developed by the OECD and implemented 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 unitholders of the fund. In addition, Personal Data may be processed for prospecting purposes. Investors have the right to object to the use of their Personal Data for prospecting purposes by writing to the fund. 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 investors in question, or when required by law, such as if the fund receives a request from law enforcement or other government officials. The Management Company also processes investors' Personal Data when it 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 fund.

Personal Data may be transferred to affiliates and third-party entities supporting the activities of the fund which include, in particular, the Management Company, administrator, 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 units, 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 fund may also transfer Personal Data to third parties such as governmental or regulatory bodies, 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 French tax authorities, which may in turn, acting as the data controller, disclose it to foreign tax authorities. Investors can obtain more detailed information about how the fund ensures that transfers of Personal Data comply with the GDPR by contacting the fund at the registered office of the Management Company. Personal Data will not be retained for a period longer than necessary for the purpose of data processing, subject to applicable legal minimum retention periods.

## II. ORGANISATIONS

**Management Company:**

**CANDRIAM**
Approved by the CSSF on 1 April 2004 as a UCITS management company under the number S00000626 and registered since 3 July 2014 as an AIFM under the number A00000634
SERENITY – Bloc B
19-21 route d'Arlon
L-8009 Strassen (Grand Duchy of Luxembourg)

Financial management is performed directly by CANDRIAM and/or by one or more of its branches, namely: .

**Candriam – Succursale Française**
40, rue Washington
75408 Paris Cedex 08

**Candriam – Belgian Branch**
Avenue des Arts 58
1000 Brussels (Belgium)

**Depositary – custodian:**
**CACEIS BANK**
Société Anonyme (Public Limited Company)

| | |
|---|---|
| Registered office: | 89-91 rue Gabriel Péri<br>92120 Montrouge |
| Postal address: | 12, Place de Etats-Unis<br>CS 40083 – 92549 Montrouge CEDEX |

Principal activity: Bank and investment services provider authorised by CECEI on 1 April 2005.

The duties of the depositary, as defined in the applicable regulations, include the safekeeping of assets, compliance oversight of the Management Company's decisions, and liquidity monitoring of the FCP.

The depositary is independent of the Management Company.

A description of delegated safekeeping functions, the list of delegates and sub-delegates of CACEIS Bank, and information about potential conflicts of interest arising from these delegations are available on the CACEIS web site: www.caceis.com

Up-to-date information is available to investors on request.

**Auditors:**
**PRICEWATERHOUSECOOPERS - AUDIT**

| | |
|---|---|
| *Registered office and postal address:* | 63, rue de Villiers<br>92200 Neuilly Sur Seine |
| *Signatory:* | Mr. Amaury Couplez |

**Delegates:**
Fund administration and accounting:
**CACEIS Fund Administration**

| | |
|---|---|
| *Registered office:* | 89-91 rue Gabriel Péri<br>92120 Montrouge |
| Postal address: | 12, Place de Etats-Unis<br>CS 40083 – 92549 Montrouge CEDEX |

Management of liabilities and fund centralisation:
**CACEIS BANK**
Société Anonyme (Public Limited Company)

| | |
|---|---|
| Registered office: | 89-91 rue Gabriel Péri<br>92120 Montrouge |
| Postal address: | 12, Place de Etats-Unis<br>CS 40083 – 92549 Montrouge CEDEX |

The Management Company CACEIS Bank is responsible, by delegation of the Management Company, for managing the liabilities of the FCP, including the centralisation and processing of subscription and redemption orders for units of the FCP.

Up-to-date information is available to investors on request.

**Marketing agents:**
**CANDRIAM**
SERENITY – Bloc B
19-21 route d'Arlon
L-8009 Strassen (Grand Duchy of Luxembourg)

and/or by the branches of CANDRIAM.

Candriam may delegate the marketing of fund units to any third party duly authorised by it. As the fund is admitted to Euroclear France, its units may be purchased or redeemed from financial intermediaries that are not known to the Management Company.

**Advisers:**
None.

**Conflicts of interest policy:**
The Management Company has and maintains effective organisational and administrative procedures to identify, manage and monitor conflicts of interest.
The Management Company also has a delegate selection and monitoring procedure and a contractual policy designed to prevent all potential conflicts of interest.

## 1. GENERAL CHARACTERISTICS

**Rights attached to the units:**
Each unitholder has a right of co-ownership of the fund's assets that is proportional to the number of units held.

**Entry in a register or note on liabilities holding arrangements:**
The depositary is responsible for liability accounting. Euroclear France is responsible for the administration of the units.
CACEIS keeps the register of holders of units in purely registered form.

**Voting rights**:
As the units of an AIF do not carry any voting rights, the decisions are made by the Management Company.

**Form of the units**:
Bearer or registered pure

**Decimalisation:**
Yes, each unit is divided into thousandths.

**Closing date:**
Last net asset value in December.

**Information on the tax regime:**
The fund is not subject to corporate income tax. In accordance with the transparency principle, the tax authorities take the view that the holder is the direct holder of a fraction of the financial instruments and cash sums held by the fund. The tax regime applicable to the sums distributed by the fund or to the unrealised or realised capital gains or losses of the fund depends on the taxation provisions applicable to the investor and/or the fund jurisdiction. Investors are recommended to consult an adviser on this matter.

## 2. SPECIFIC PROVISIONS

**Management objective:**
In connection with its totally discretionary management, the fund's objective is to seek to achieve, over the minimum recommended investment term, an absolute performance exceeding the capitalised €STR for the C, V, R, R2, Z, RS and VB units in EUR, exceeding the capitalised SARON for the C and V units in CHF and exceeding the EFFR for the C units "in USD", with an average annualised volatility objective of less than 5% under normal market conditions.

**Benchmark index:**
The benchmark used does not explicitly take sustainability criteria into account.
The fund is actively managed and the investment approach implies a reference to an index.

| | |
|---|---|
| **Index name** | **Capitalised €STR**<br><br>**SARON Interest Rate (Swiss Average Rate Overnight)**<br><br>**Capitalised Effective Federal Funds Rate – EFFR or Fed Fund** |
| **Index definition** | **€STR**: represents the short term rate in euros that reflects unsecured overnight borrowing costs in euros for banks in the euro zone.<br>**SARON**: represents the overnight interest rate of the secured funding market in Swiss francs (CHF).<br><br>**Effective Federal Funds Rate (Interest Rate) - EFFR**: the interest rate at which depository institutions lend reserve balances (USD amounts held at Federal Reserve Banks) to each other overnight. |
| **Use of the index** | - to compare performance,<br>- to calculate the outperformance fee for some categories of units |

| | |
|---|---|
| **Index provider** | The €STR index is provided by European Money Markets Institute, which is an entity registered with ESMA in accordance with Article 34 of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.<br>It is available from https://www.emmi-benchmarks.eu<br><br>The SARON index is provided by SIX Financial Market Supervisory Authority, which is an entity registered with ESMA in accordance with Article 33 of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.<br>It is available on the website https://www.six-group.com/en/products-services/the-swiss-stock-exchange/market-data/indices/swiss-reference-rates.html.<br>The EFFR index is provided by the Federal Reserve Bank of New York (New York Fed)<br>It is available from: https://apps.newyorkfed.org/markets/autorates/fed%20funds |
| | 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 Management Company, 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. |

**Investment strategy:**

The fund is classified according to Article 8 of the SFDR Regulation, which means that the fund promotes, among other characteristics, environmental and/or social characteristics but does not have sustainable investment as its objective.

The prospectus must be read in conjunction with the detailed information on the ESG characteristics of this sub-fund as described in the SFDR Annex.
The analysis of ESG aspects is included in the selection, analysis and global evaluation of issuers.

The fund's investment strategy is aimed at achieving the investment objective over the recommended investment period, mainly by using arbitrage and directional strategies (both long and short) in corporate credit (particularly industrial and financial companies) through bonds and credit derivatives.
The fund may also invest in convertible bonds with an initial delta of less than 15%.
(The delta expresses a convertible bond's sensitivity to its underlying equity; e.g. for every 10% change in the underlying equity, a bond might see a 1.50% change.)

The investment region is mainly Europe, North America and, on an ancillary basis, Japan.

- **Strategy used:**

  1. Dynamic strategy

The strategy used consists of active credit risk selection (both long and short), together with a risk management approach aimed at achieving the desired volatility targets.

In order to take account of the sustainability risks and to reflect profound social changes, the fund seeks to exclude companies as described in the SFDR Annex.

"Negative" (short) exposures are authorised on these companies but not if they are exposed to controversial weapons subject to a legal exclusion.

Under certain conditions, the analysis and selection process may also be accompanied by a dialogue with the companies.

To give expression to the fact that challenges relating to climate change have been taken into account, the carbon footprint of companies is measured. A company's carbon emissions are expressed as the carbon dioxide equivalent in tonnes ($tCO_2$-eq), which combines the various greenhouse gas (GHG) emissions into a single measure. For any quantity and type of greenhouse gas, the $CO_2$ equivalent signifies the quantity of $CO_2$ that would have an equivalent impact on global warming. The carbon footprint measures the GHG emissions weighted by the assets in a portfolio, normalised by million euros invested (expressed as $tCO_2$-eq /million euros invested). This measure can be used for benchmarking and comparison purposes.

The data used for the calculations may originate from data providers outside Candriam. The carbon footprint calculation does not take account of all the emissions of companies because certain indirect emissions are difficult to measure or are not covered by the available data.

In management, the analysis of companies' greenhouse gas emissions is taken into account, seeking a carbon footprint for the fund which is below an absolute threshold. This threshold is defined as a function of the investment universe and may be reviewed if the investment universe changes. This analysis is applied to at least 75% of the sub-fund's private issuers, to the exclusion of deposits, cash and index derivatives.

The management company defines a framework which allows the asset managers to identify opportunities and risks around the serious challenges of sustainable development, potentially affecting portfolios in a substantial way.

The threshold and the details of the methodology are available in the transparency code available from the following link: https://www.candriam.com/documents/candriam/article_205/fr/document.pdf

The investment process is based on constructing a diversified portfolio around investment opportunities, which are the portfolio's basic building blocks.

These investment "opportunities" are identified as a result of analysis undertaken by the asset managers and analysts responsible for the fund, and may take the following forms:
- credit-buying positions (known as "long" positions) or credit-selling positions ("short" positions),
- arbitrages between two issuers, an issuer and an index or an issuer and a basket of issuers,
- arbitrages between an issuer and a credit derivative issued by that issuer.

All these positions may be constructed within the portfolio using on or off balance sheet instruments.

Investment "opportunities" are identified as a result of both fundamental and quantitative analyses. When carrying out fundamental analysis, the asset managers take into account, inter alia, the following: experience and track record of the management team, company strategy and competitive positioning, earnings visibility, absolute and relative valuation of the company and therefore potential for the credit margin to rise or fall, etc. (This is not an exhaustive list.)

To conduct the analysis, the asset manager has the corporate documentation (annual reports, roadshows, one on ones etc.), rating agency reports, external broker analyses, press analyses etc. This list is not exhaustive.

This fundamental analysis is supplemented by quantitative analysis. This quantitative analysis is based, inter alia, on internal models for assessing the intrinsic credit quality of an issue and the risk of a widening in credit spreads. This analysis is used to optimise the time at which positions are entered into and unwound.

Investment "opportunities" are assigned to two different segments within the portfolio, depending on the identified investment scenario: the "arbitrage" segment or the "bias" segment. The amount of capital allocated to each segment depends on the market conditions.

The fund's total net credit exposure will vary between -50% and +50% depending on the market opportunities that are identified. This exposure does not include money market instruments and bonds redeemed before maturity at the initiative of the issuer.

Issuers and issues with regard to which the fund has credit exposure are rated at least Caa1 by Moody's and/or CCC+ by Standard & Poor's.

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.
This Regulation sets 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 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. 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 two 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.

As a result, a purely quantitative assessment of the data on compliance with the criteria enacted in the Taxonomy appears insufficient to define a minimum percentage of alignment of the investments with the European Taxonomy. In this framework, our analysis of issuers' alignment with the Taxonomy is based on qualitative criteria integrated into our ESG analysis as described previously.

As a reminder, the issuing companies are assessed from two distinct but related perspectives:
- an analysis of each company's activities (products and services) to assess how its activities respond to the serious long-term challenges of sustainable development;
- an analysis of the management of the essential stakeholders of each company, to assess how the companies integrate the interests of their stakeholders (customers, employees, suppliers, investors, society and the environment) into their strategies, their operations and the definition of their strategies.

For these reasons, we are not indicating a minimum alignment percentage. This percentage must therefore be considered as 0.
The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities.
The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Useful links
For more information about ESG analyses, please visit the Candriam website via the following links:
http://www.candriam.com/fr/professional/sfdr/
Exclusion policy: document entitled Candriam Exclusion Policy
Engagement policy: document entitled Candriam Engagement Policy

2. Portfolio fund strategy

The strategy consists of constructing a diversified portfolio invested in securities issued by private issuers (corporate debt and securities issued by financial institutions), government bonds and other French and foreign money market instruments with a short-term rating of at least A-2, when acquired, (or equivalent) by a ratings agency or considered to be of equivalent quality by the Management Company (in particular if there is no rating). The fund may also make use of efficient portfolio management techniques as described below.
This part of the portfolio will represent between 0 and 100% of the fund's net assets.

- **Instruments used:**

1. Equities: None

2. Bonds, debt securities and money market instruments: between 0 and 100%

The portfolio may be invested in debt securities issued by private issuers (corporates and financial institutions) and government securities.
The investment region is mainly Europe, North America and, on an ancillary basis, Japan.
This part of the portfolio will represent between 0 and 100% of the fund's net assets.

The Fund is invested in investment grade and high-yield corporate bonds rated at least CCC+ by Standard and Poor's or Caa1 by Moody's.
The minimum issuer or issue rating in respect of investment in negotiable debt or money market instruments is at least A2/P2.

3. Shares or units in UCIs: between 0 and 10%

In accordance with the applicable laws, the fund may invest up to 10% of its assets in:
- units or shares in European UCITS which do not hold more than 10% of UCI units,
- - units or shares of European AIFs or foreign investment funds which do not hold more than 10% of UCI units or of foreign investment funds and which meet the three other criteria of the Code Monétaire et Financier.

The UCIs will be managed by Candriam or by an external Management Company.

Investment will be for the purpose of diversifying the portfolio and optimising performance.

4. Other assets:

None

**5.** Derivative financial instruments**:**

*Type of derivative instruments*
For the purpose of efficiently managing the portfolio, the fund may make use of derivative products such as swaps, futures, options and CDS arising notably from interest rate, foreign exchange and credit risk.
The fund may also make use of total return swaps or other derivative financial instruments which have the same characteristics, for example contracts for difference, for the purpose of (long or short) exposure, hedging or arbitrage.
The underlying instruments to these operations may be either individual securities (equities, interest rates, currencies, volatility etc.), financial indices (including leveraged loan indices) in which the fund may invest in accordance with its investment objectives.
Such transactions may relate to a maximum of 50% of the net assets. The proportion is normally expected to vary between 0% and 25%.
These derivatives may be traded on regulated or over-the-counter markets.

*Authorised counterparties*.
In over-the-counter operations, 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 (in particular if there is no rating). The counterparties are located in an OECD member country.

Additional information on the one or more counterparties to the transactions is contained in the fund's annual report.

*Financial collateral:*
Cf. section 10. Management of financial collateral for OTC derivative products and efficient portfolio management techniques.

6. Instruments with embedded derivatives: max. 100%

As part of its strategy, between 0 and 20% of the portfolio may be invested in convertible bonds with an initial delta of less than 15% at the time the position is entered into.
The Fund is invested in investment grade and high-yield corporate bonds rated at least CCC+ by Standard and Poor's or Caa1 by Moody's.
It may hold callable and/or puttable bonds, and more generally any financial instrument containing a financial contract.
Between -10% and +10% of the portfolio may be invested in contingent convertible bonds.

7. Deposits and cash: between 0 and 100%

The asset manager may make use of cash deposits representing up to 100% of the assets for cash management purposes.

8. Cash borrowing: between 0 and 10%

The fund may temporarily register a debit balance as a result of transactions related to cash flow (investments and divestments in progress, subscription/redemption and purchase/sale transactions, etc.), within a limit of 10% of the assets.

9. Efficient portfolio management technique

In order to increase its yield and/or reduce its risks, the fund is authorised to make use of the following efficient portfolio management techniques covering transferable securities and money market instruments:

*Reverse repurchase transactions*

The 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 fund is required to return the asset contained in the reverse repurchase agreement.

Such transactions may relate to a maximum of 50% of the net assets. The proportion is normally expected to vary between 0% and 25%.
For the term of the reverse repurchase agreement, the fund may not sell or use the securities which are contained in this agreement as a pledge/collateral unless the fund has other means of coverage.

*Repurchase transactions*

The fund may enter into repurchase transactions for which on maturity the 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.

To meet temporary liquidity needs, such transactions may relate to a maximum of 10% of the net assets. The proportion is normally expected to vary between 0% and 10%.

The fund must, on expiration of the term of the repurchase agreement, have the necessary assets to pay the agreed return price to the 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.
*Associated risks and measures to restrict them.*
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 section entitled Risk profile), and such risks are mitigated by the organisation and the procedures defined by the Management Company as follows:

- *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 are considered to be of equivalent quality by the Management Company. These counterparties are entities which are subject to prudential supervision. The counterparties are located in an OECD member country. Each counterparty is bound by a contract the clauses of which have been validated by the legal department/risk management department.

- *Financial collateral*

See point 10 entitled *Management of financial collateral for OTC derivative products and efficient portfolio management techniques* below

- *Restrictions on reinvestment of financial collateral received*

See point 10 entitled *Management of financial collateral for OTC derivative products and efficient portfolio management techniques* below

- *Measures taken to reduce the risk of conflicts of interest*

To limit the risk of a conflict of interest, the Management Company has established a process for selecting and monitoring counterparties through committees (reviews) 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.

- *Remuneration policy for reverse repurchase agreements*

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

- *Remuneration policy for repurchase agreements*

This activity does not generate income.

*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.

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

Some over-the-counter transactions in financial instruments are covered by a collateralisation policy that has been validated by the risk management department.

*General criteria*

All collateral to reduce exposure to counterparty risk satisfies 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: see point b below.
- 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 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, 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 mitigated 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.

*Types of authorised collateral*

The permitted types of financial collateral are as follows:

- cash denominated in the reference currency of the fund,
- 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 25 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 10 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 fund 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 would 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.

*Level of financial collateral received*
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 by the regulations.

*Discounting policy*
The Management Company has put in place a discounting policy suited to each category of assets (depending on the credit quality in particular) received as financial collateral. This policy can be obtained by investors free of charge from the Management Company's registered office.

*Restrictions on reinvestment of financial collateral received*
Non-cash financial collateral may not be sold or reinvested or pledged.
Financial collateral received in cash can only be deposited 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.

*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 may be held by an external depositary subject to prudential supervision which is not connected to the supplier of the financial collateral.
The collateral received may be fully mobilised at any time without reference thereto to the counterparty or the need to obtain its agreement.

*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).

*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.

### 11. Valuation

*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.

*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.

*Cash overdraft*
By way of security against the cash overdraft facility granted by the depositary, the fund grants the latter financial collateral in the simplified form set down in the provisions of the Code Monétaire et Financier.

## TABLE OF DERIVATIVE INSTRUMENTS

| | TYPE OF MARKET | | TYPE OF RISK | | | | | TYPE OF USE | |
|---|---|---|---|---|---|---|---|---|---|
| | Regulated and/or organised markets | OTC markets | Equity | Interest rates | Foreign exchange | Credit | Other risk(s) | Hedging | Exposure |
| **Futures in** | | | | | | | | | |
| Interest rates | x | x | | x | | | | x | x |
| Foreign exchange | x | x | | | x | | | x | |
| Indices | x | | x | | | | | x | |
| Volatility | x | x | | | | | x | x | |
| **Options in** | | | | | | | | | |
| Equities | x | x | x | | | | x | x | |
| Interest rates | x | x | | x | | | x | x | x |
| Foreign exchange | x | x | | | x | | x | x | |
| Indices | x | x | x | | | | x | | |
| Volatility | x | x | | | | | x | x | |
| **Swaps** | | | | | | | | | |
| Interest rates | | x | | x | | | | x | x |
| Foreign exchange | | x | | | x | | | x | |
| Volatility | | x | | | | | x | x | |
| **Forward exchange** | | | | | | | | | |
| Currencies | | x | | | x | | | x | |
| **Credit derivatives** | | | | | | | | | |
| Credit default swaps (CDS) | | x | | | | x | | x | x |
| Credit derivative indices | | x | | | | x | | x | x |
| Total return swaps | | x | | | | x | | x | x |
| CDS options | | x | | | | x | | x | x |
| CDS index options | | x | | | | x | | x | x |

**Risk profile**:
Your money will be mainly invested in financial instruments selected by the Management Company. These instruments will be subject to market trends and uncertainties.

The fund may be exposed to the following principal types of risk:

Risk of capital loss:
There is no guarantee for investors relating to the capital invested, and investors may not receive back the full amount invested.

Interest rate risk:
A change in interest rates, resulting notably from inflation, may cause a risk of losses and reduce the net asset value of the fund (particularly in the event of a rate increase if the fund has a positive rate sensitivity and in the event of a rate decline if the 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. The fund 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. The fund may also be exposed 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 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.
There is also a high yield credit risk in that the fund may be exposed to high yield bonds through credit index contracts such as the Itraxx and the CDX. High yield securities have a greater risk of default in return for their higher yield.

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

Liquidity risk:

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

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 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).

Counterparty risk:

The fund 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.

Equity risk:

The fund 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 fund to fall.

Risk associated with investing in contingent convertible bonds ("CoCos"):

CoCos – or subordinated contingent capital securities – are instruments issued by banking institutions to increase their equity capital buffers in order to comply with new banking regulations which require them to increase their capital margins.

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

Capital structure inversion risk: contrary to the classic capital hierarchy, CoCos investment may be exposed to the risk of loss of capital while equity holders may not.

Discretionary coupon cancellation: coupon payments are entirely discretionary and may be cancelled by the issuer at any point.

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

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

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

Foreign exchange risk:

Foreign exchange risk derives from the 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 fund may negatively affect the value of assets in the portfolio.

Volatility risk:

The 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.

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 can experience serious political, legal and fiscal uncertainties or other events that could impact negatively on the fund. 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.

Delivery risk:

The fund may want to liquidate assets which at that time are subject to a transaction with a counterparty. In this case, the 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 fund to honour the sale of these instruments on the market.

### 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.

### 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.

### 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.

### Risk of conflicts of interest:

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

### Risk of changes to the benchmark index by the index provider:

Unitholders 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 sufficient notice of changes to the benchmark index. As a result, the Management Company may not be able to inform fund unitholders in advance of changes made by the index provider to the characteristics of the relevant benchmark index.

### 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 mitigation measures taken 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 of the fund.

### ESG 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.

Our methodology is based on the definition of ESG sector models by our internal ESG analysts. Our 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 our 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, we will try to fill in the missing data from our own 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.
Our 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 fund is unable to benefit from.

**Guarantee or protection**:
None

**Type of subscriber/profile of the typical investor**:
C units: All subscribers
C units in CHF: All subscribers
For C units in CHF, the asset manager will fully and systematically hedge against the EUR.
V units: All subscribers
V units in CHF: All subscribers
For V units in CHF, the asset manager will fully and systematically hedge against the EUR.
R units: Financial intermediaries (including distributors and platforms) which:
(i) have different arrangements with their clients for the provision of investment services in connection with the fund, and
(ii) as a result of their applicable laws and regulations, are not entitled to receive duties, fees and other monetary benefits from the Management Company in connection with the provision of the above-mentioned investment services.
R2 units: Management mandates between a client and Belfius Banque in which financial management is delegated to Candriam and for which Belfius Banque does not receive any form of remuneration from a Candriam Group entity
Z units: UCIs approved by the Management Company and managed by a Candriam Group entity.
RS units: Distributors and intermediaries appointed by the Management Company who will not receive any compensation from the Management Company
"C in USD" units: All subscribers", the fund manager will systematically and fully hedge against the euro
VB units: UCIs governed by Belgian law approved by the Management Company.

In view of the instruments and strategies used, Candriam Long Short Crédit is aimed at investors who are aware of the risks arising from so-called "biased credit strategies" and who, in accepting these risks, wish to generate a return on their invested capital over the recommended investment period.

The amount it is reasonable to invest in this UCITS depends on the investor's personal circumstances. To determine this amount, investors should take into account their financial capacity and personal asset base, their requirements at present and for the next three years and whether they wish to take risks or instead opt for a cautious investment approach. Investors are also strongly advised to diversify their investments sufficiently so as not to be exposed solely to the risks of this UCITS.

The recommended investment term is three years.

The units of this fund 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 units 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 equivalents and Rule 4.7. of the Commodity Exchange Act). Subscribers to units of the fund 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 will be required to dispose of their units to non-U.S. Persons.
The management company reserves the right to redeem any unit 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 fund.
However, notwithstanding the foregoing, the FCP reserves the right to make a private placement of its shares to a limited number of U.S. Persons to the extent permitted under applicable U.S. law.
In addition, financial institutions which do not comply (“non compliant”) with the FATCA programme (FATCA stands for the U.S. Foreign Account Tax Compliance Act), as included in the Hiring Incentives to Restore Employment Act (the “HIRE Act”), and its application measures, including the analogous provisions adopted by partner countries which have signed an “Intergovernmental Agreement” with the United States, must expect to be forced to have their units redeemed when the programme comes into force.
Units of the fund 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 units of the fund may be required to certify in writing that they are not U.S. benefit plan investors. Unitholders are required to notify the fund immediately in the event that they are or become U.S. benefit plan investors and will be required to dispose of their units to non-U.S. benefit plan investors. The fund reserves the right to redeem any units which are or become owned, directly or indirectly, by a U.S. benefit plan investor. However, notwithstanding the foregoing, the fund reserves the right to make a private placement of its units to a limited number of U.S. benefit plan investors, to the extent permitted under applicable U.S. law.

**Methods for determining and allocating distributable amounts:**
The distributable amounts of all the fund’s units are fully capitalised

## Share or unit currencies:

| Unit | ISIN code | Allocation of distributable amounts | Currency | Minimum amount of subscription | | Original net asset value | Type of subscriber | Foreign exchange risk hedging |
|---|---|---|---|---|---|---|---|---|
| | | | | initial *(*)* | subscriptions | | | |
| Classique | FR0010760694 | Capitalisation | EUR | None | None | EUR 10,000.00 (*) | All subscribers | - |
| C in CHF | FR0011352566 | Capitalisation | CHF | None | None | CHF 1,000.00 | All subscribers | Full and systematic against the euro |
| C in USD | FR0013446358 | Capitalisation | USD | EUR 250,000.00 or equivalent in USD | None | USD 1,500.00 | All subscribers | Full and systematic against the euro |
| V | FR0011510031 | Capitalisation | EUR | EUR 25,000,000.00 | None | EUR 1,000.00 | All subscribers | - |
| V in CHF | FR0011910470 | Capitalisation | CHF | EUR 25,000,000.00 or equivalent in CHF | None | CHF 1,000.00 | All subscribers | Full and systematic against the euro |
| R | FR0011510056 | Capitalisation | EUR | None | None | EUR 100.00 | Financial intermediaries (including distributors and platforms) which:<br>(i) have different arrangements with their clients for the provision of investment services in connection with the fund, and<br>(ii) as a result of their applicable laws and regulations, are not entitled to receive duties, fees and other monetary benefits from the Management Company in connection with the provision of the above-mentioned investment services. | - |
| R2 | FR0013254000 | Capitalisation | EUR | None | None | EUR 150.00 | Management mandates between a client and Belfius Banque in which financial management is delegated to Candriam and for which Belfius Banque does not receive any form of remuneration from a Candriam Group entity | - |
| RS | FR0013325081 | Capitalisation | EUR | EUR 100,000,000.00 | None | EUR 150.00 | Distributors and intermediaries appointed by the Management Company who will not receive any compensation from the Management Company | - |
| Z | FR0013254018 | Capitalisation | EUR | None | None | EUR 1,500.00 | UCIs approved by the Management Company and managed by a Candriam Group entity. | - |
| VB | FR001400S821 | Capitalisation | EUR | None | None | EUR 1,000.00 | UCIs governed by Belgian law approved by the Management Company. | - |

*(*) Net asset value divided by 10 on 20/02/2013.*
*(**)The minimum initial subscription amount will not apply to the Management Company, to Candriam Group entities or funds managed by Group entities.*

Investors participate in the fund by subscribing to and holding shares in one of the categories of units. In order to guarantee equal treatment of all investors within the same category of units, the individual shares in the category of units have the same rights and obligations.

The Management Company may, while remaining within the framework of the parameters which characterise the various categories of units, conclude agreements with individual investors or a group of investors granting special rights to these investors ("negotiated discounts").

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

Objective criteria include, but are not limited to (alternatively, or cumulatively):
• The expected holding period for an investment in the fund,
• The investor's willingness to invest during the fund’s launch phase,
• The actual or expected amount placed or to be placed by the investor,

• The total assets under management held by the investor in the fund or in another product offered by the Management Company,
• The type of investor (for example repackager, wholesaler, fund management company, asset manager, other institutional or private investor),
• The fees or revenues generated by the investor with a group of companies or all companies affiliated with the group of which the Management Company is part.

Any investor or potential investor in a category of units is entitled to the same agreements if, in the reasonable opinion of the Management Company, he or she is objectively in the same situation as another investor in the same category of units who has concluded agreements. In order to receive the same treatment, any investor or potential investor is able to contact the Management Company in the form of a request. The Management Company will share with the investor or potential investor relevant information about the existence and nature of these specific agreements, will verify the information it received from the investor or potential investor, and will determine on the basis of the information provided to it (including from the investor or potential investor) whether or not the investor or potential investor is entitled to the same treatment.

**Subscription and redemption arrangements:**

Orders are executed as shown in the table below:

| **Business day D-1** | **Business day D-2** | **D NAV calculation day** | **Business day D+1** | **Business day D+1** | **Business day D+3** | **Business day D+3** |
|---|---|---|---|---|---|---|
| Centralisation of subscription orders before midday[1] | Centralisation of redemption orders before midday[1] | Order execution on D at the latest | Calculation of NAV | NAV publication | Subscription settlement | Redemption settlement |

[1]Unless a different period is agreed with your financial institution.

A redemption order may be received by the custodian on business day D-1 before midday if it is followed by a subscription made on the same day for the same number of securities and at the same net asset value.

In the event of an exchange of Units made on the same NAV date by the same Unitholder and for a same amount, the above redemption arrangements do not apply. ***In this case, the arrangements for the redemption will be identical to the subscription arrangements also indicated above.***

Subscriptions may relate to an amount, a whole number of units or a fraction of a unit, each unit being divided into thousandths.
Redemptions may be made as an amount, a whole number of units or in fractions of units, each unit being divided into thousandths.

Subscription and redemption orders are centralised by CACEIS Bank, at the following address:
**CACEIS BANK**
*Registered office:* 89-91 rue Gabriel Péri – 92120 Montrouge
Postal address: 12 place des États-Unis - CS 40083 - 92549 Montrouge CEDEX
*Investors should note that orders sent to marketing agents other than the institutions set out above must take account of the fact that these marketing agents are subject to the order centralisation cut-off time imposed by CACEIS Bank. As a result, these marketing agents may impose their own cut-off time, earlier than the one stated here, in order to allow time to send the orders to CACEIS Bank.*

**Redemption gates:**

The management company may use gates to spread out redemption requests from UCITS unitholders over multiple net asset values if they exceed a certain threshold, determined objectively.

Description of the method used:
The management company may decide not to execute all redemptions using the same net asset value once a net redemption ratio threshold is reached (all units combined and divided by the net assets of the fund). The gate threshold is therefore applied to all categories of units in the fund. The threshold is objectively set at 5% of the net assets of the fund.
The maximum duration of each redemption gate is set to 10 business days.

Procedures to inform unitholders:
If some or all of their redemption requests are not going to be executed, the relevant unitholders will be personally informed by the centraliser as soon as possible after the centralisation date.
The management company's website will inform all unitholders if the redemption gate is activated.
And finally, all unitholders will be informed of any triggering of the gate in the next periodic reporting for unitholders.

Processing of unexecuted orders:
Orders which are not executed due to a redemption gate are carried forward and are not cancelled. While the redemption gate remains in effect, redemption orders will be satisfied in the same proportion for all unitholders requesting a redemption at the same net asset value. Orders that are carried forward in this way do not have priority over previous redemption orders. If redemptions are split again at this net asset value, therefore, they are split according to the same conditions as new orders.

Under no circumstances may redemption orders which are unexecuted and automatically carried forward be revoked by the unitholders of the UCITS concerned.

The gating of redemptions is not automatic: when redemption requests net of subscription requests exceed the gate threshold, and if the liquidity situation so allows, the management company may decide to satisfy redemption requests above the proposed threshold and thus execute some or all of the orders that may otherwise have been gated.

Exemption:
A round trip transaction for taxation purposes, namely a request to redeem units simultaneously linked to a subscription request on the same NAV date, with the same ISIN code, for the same number of units, using the same intermediary and the same account, will not be part of the gate calculation mechanism and will therefore be honoured as it is.

*Illustration of gating:*
*For example, if the redemption requests for units in a UCITS total 10% of net assets, whereas the gate threshold is set at 5%, the management company may decide to satisfy redemption requests up to 7.5% of net assets (and thus execute 75% of redemption requests instead of 50% if it had strictly applied the gate at 5%).*

For more detailed information about gates, the unitholder is invited to refer to the fund rules.

**Frequency of net asset value calculation:**
Daily.
On every trading day on the Paris Stock Exchange, except for French public holidays.

**Additional information:**
The place of publication of the net asset value is the premises of the Management Company. The prospectus of the UCI, the latest annual reports and the asset breakdown will be sent to the unitholder within eight business days of a written request addressed to:

**CANDRIAM**
SERENITY – Bloc B
19-21 route d'Arlon
L-8009 Strassen (Grand Duchy of Luxembourg)

**Candriam, Succursale Française**
40, rue Washington
75408 Paris Cedex 08
Tel: 01.53.93.40.00
www.candriam.com
contact: https://www.candriam.fr/contact/

**Charges and fees:**

Subscription and redemption fees:
Subscription and redemption fees are added to the subscription price paid by investors or deducted from the redemption price. The fees paid to the UCITS are used to offset the fees incurred by the UCITS in order to invest or divest the assets allocated. Fees not retained are returned to the Management Company, marketing agent, etc.

| Maximum charges payable by investors and collected upon subscription or redemption* | Calculation basis | Rate incl. taxes |
|---|---|---|
| Subscription fee not paid to the UCITS | NAV x number of units | 1.00% |
| Subscription fee paid to the UCITS | NAV x number of units | None |
| Redemption fee not paid to the UCITS | NAV x number of units | 1.00% |
| Redemption fee paid to the UCITS | NAV x number of units | None |

* ***Exemption conditions**: subscription preceded by redemption on the same day for the same number of units, based on the same net asset value and by the same holder.*

Operating and management charges:
These cover all the costs billed directly to the UCITS apart from the transaction fees. Transaction charges include intermediary charges (brokerage, stock exchange duties, etc.) and any turnover fees, where applicable, which may be collected in particular by the depositary and the Management Company.

In addition to the operating and management charges, there may be:
- Outperformance fees. These are paid to the Management Company if the UCITS outperforms its objectives. They are therefore billed to the UCITS.
- Transfer fees billed to the UCITS

| Charges billed to the FCP | Calculation basis | Rate/amount incl. taxes |
|---|---|---|
| Financial management charges and administration charges external to the Management Company | Net assets | C units 0.80% maximum *<br>C units in CHF 0.80% maximum *<br>C units in USD 0.80% maximum *<br>V units 0.60% maximum *<br>V units in CHF 0.60% maximum *<br>R units 0.70% maximum *<br>R2 units 0.35% maximum *<br>Z units 0.20% maximum *<br>RS units 0.70% maximum *<br>VB units 0.35% maximum* |
| Maximum indirect charges (fees and management charges) | Net assets | Not significant ** |
| Turnover fees collected by the depositary | Levied on each transaction | Maximum EUR 80/transaction*** |
| Outperformance fee | Net assets | - C, V, R, R2, Z, RS and VB units:<br>20% of performance<br>above the capitalised €STR* consisting of a high water mark and a hurdle (see below)<br>- For C and V units in CHF:<br>20% of performance above the capitalised SARON consisting of a high water mark and a hurdle (see below)*<br>- for C units in USD:<br>20% of performance above the capitalised EFFR* consisting of a high water mark and a hurdle (see below) |

**Since the Management Company has opted out of VAT, these fees are charged excluding VAT and their amount including taxes is equal to their amount excluding taxes.*
*** The fund invests a maximum of 10% in UCIs.*
**** Maximum amount that varies according to the instruments used.*

Research costs:
The costs relating to research as described in article 314-21 of the General Regulation of the AMF may be billed to the UCITS.

The fees listed below are not included in the categories of fees set out above:
- contributions owed for management of the UCITS pursuant to, 4°, II of article L621-5-3 of the Code monétaire et financier,
- exceptional and non-recurrent taxes, duties and other government fees (relating to the UCITS),
- exceptional and non-recurrent costs in connection with debt collection (e.g. Lehman) or to proceedings in order to exercise a right (e.g. class action lawsuit).

Methods of calculating and sharing remuneration from temporary acquisitions and disposals of securities (efficient portfolio management techniques):
These transactions, if carried out, must be conducted under market conditions. The proceeds of these transactions will be paid in full to the UCITS.

Outperformance fees**:**

For each unit category, the asset manager may be entitled to an outperformance fee based on the outperformance of the net asset value (NAV) in relation to the reference indicator defined below.

| Unit | Cap. / Dis. | Currency | ISIN | Out-performance fee | Provisioning rate | Minimum return rate | Model applied |
|---|---|---|---|---|---|---|---|
| Classique | Cap. | EUR | FR0010760694 | Yes | 20% | Capitalised €STR, floored 0 | Permanent HWM |
| C in CHF | Cap. | CHF | FR0011352566 | Yes | 20% | Capitalised SARON, floored 0 | Permanent HWM |
| C in USD | Cap. | USD | FR0013446358 | Yes | 20% | Capitalised EFFR, floored 0 | Permanent HWM |
| V | Cap. | EUR | FR0011510031 | Yes | 20% | Capitalised €STR, floored 0 | Permanent HWM |
| V In CHF | Cap. | CHF | FR0011910470 | Yes | 20% | Capitalised SARON, floored 0 | Permanent HWM |
| R | Cap. | EUR | FR0011510056 | Yes | 20% | Capitalised €STR, floored 0 | Permanent HWM |
| R2 | Cap. | EUR | FR0013254000 | Yes | 20% | Capitalised €STR, floored 0 | Permanent HWM |
| RS | Cap. | EUR | FR0013325081 | Yes | 20% | Capitalised €STR, floored 0 | Permanent HWM |
| Z | Cap. | EUR | FR0013254018 | Yes | 20% | Capitalised €STR, floored 0 | Permanent HWM |
| VB | Cap. | EUR | FR001400S821 | Yes | 20% | Capitalised €STR, floored 0 | Permanent HWM |

**Benchmark index**

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 31/12/2021.

The initial HWM corresponds to the NAV of 31/12/2021. If a new unit category is activated subsequently or a pre-existing unit category 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 unitholders will not be billed for an outperformance fee while the NAV remains below the highest NAV achieved at the end of a financial year from 31/12/2021.

This variable remuneration aligns the interests of the asset manager with those of the investors and is a link with the FCP's risk/return ratio.

**Method for calculating the outperformance fee**

As the NAV is different for each unit category, the outperformance fees are calculated independently for each unit, 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 units still in circulation, and after deducting all other costs, 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 below (the "Provisioning rate").

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, the impact of any distributions of dividends is neutralised through the calculation of the outperformance fee of the share class.

For each unit category denominated in the currency of the fund, outperformance fees are calculated in this currency, whereas for unit categories denominated in another currency, whether or not they are currency hedged, the outperformance fees will be calculated in the currency of the unit category.

**Reference period**

In general, the outperformance fee is calculated for each 12 month period corresponding to the financial year. This period is regarded as the reference period for calculation of the outperformance fee.
In the case of activation or reactivation of a unit category, the first crystallisation of performance fees for this unit category cannot take place (apart from redemptions) until the end of the financial year following the financial year during which the unit category was (re)activated.

**Crystallisation**

Any positive outperformance fee is crystallised:

- at the end of each reference period,
- at the time of each net redemption identified on each NAV calculation, in proportion to the number of units 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 unit category during the reference period.

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

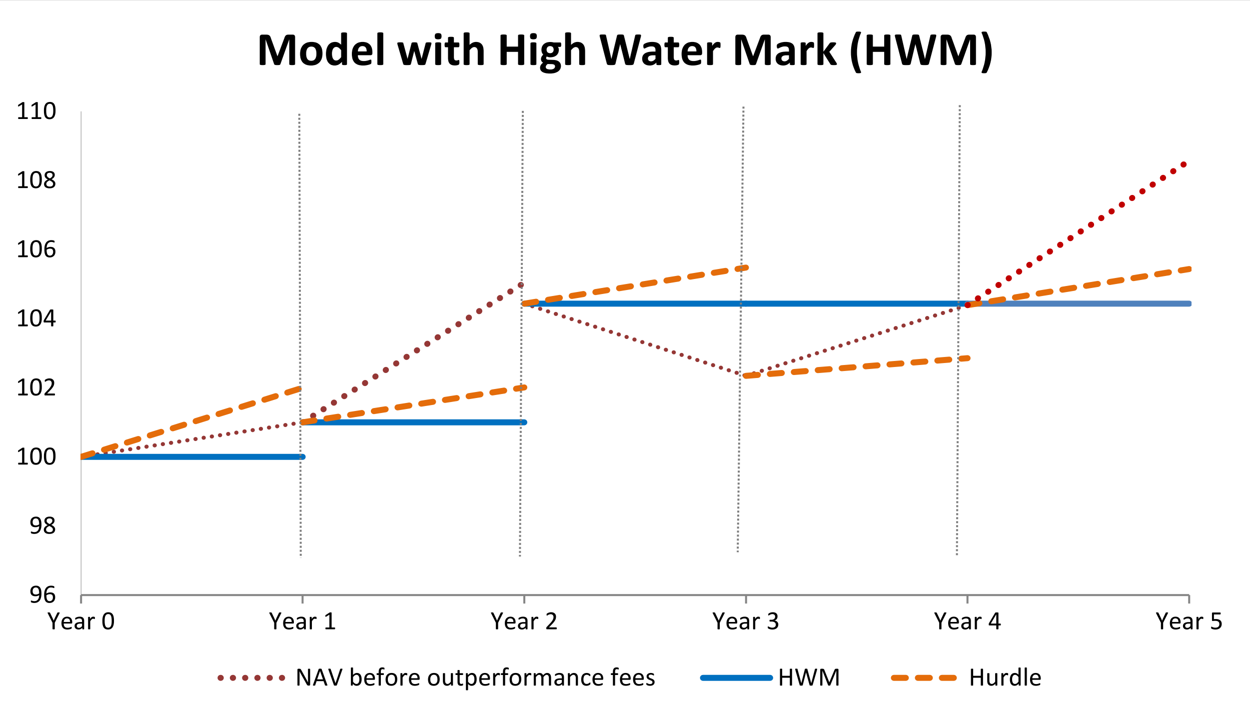
- in the event of merger/liquidation of the fund/unit category during the reference period,
- if the outperformance mechanism changes.

**Clawback of negative performances**

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

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

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

Subscribers may at any time obtain details from the asset manager regarding the methods for calculating the variable management fees. The total amount of the variable management fees will appear in the FCP's annual report.

Procedure for selecting intermediaries**:**
Candriam selects intermediaries to which it sends orders for execution for the major classes of financial instruments (bonds, equities, derivative products). The selection is mainly based on the intermediary's execution policy and subject to the "Selection policy for financial intermediaries to which Candriam sends orders for execution on behalf of the UCIs it manages".

The main execution factors considered are: price, cost, speed, probability of execution and settlement, size and type of order.
In application of the broker and counterparty selection and evaluation procedure and at the request of the asset manager, Candriam's Broker Review approves or refuses any new broker application.

Therefore pursuant to this policy, a list by type of instruments (equities, interest rates, money market, derivatives) of the authorised brokers and a list of the authorised counterparties are kept.
Furthermore, on a periodic basis and as part of the Broker Review, the list of approved brokers is reviewed so as to evaluate them on the basis of various filters and make any appropriate and necessary changes.

## IV. MARKETING INFORMATION

**Circulation of information on the UCITS**
Any information about the FCP can be requested directly from:

**CANDRIAM**
SERENITY – Bloc B
19-21 route d'Arlon
L-8009 Strassen (Grand Duchy of Luxembourg)

**Candriam - Succursale Française**
40, rue Washington
75408 Paris Cedex 08
Tel: 01.53.93.40.00

Website: www.candriam.com

Past performance data in relation to the reference indicator is available in the key information document (KID) for PRIIPs concerning each of the fund units, which can be consulted on the Management Company's website.

**Unit redemptions or repurchases**
FCP subscription and redemption applications are centralised at:

**Depositary – custodian:**
**CACEIS BANK**

| | |
|---|---|
| Registered office: | 89-91 rue Gabriel Péri<br>92120 Montrouge |

**Environmental, social and quality of governance criteria (ESG)**
Information on inclusion of environmental, social and governance quality criteria in the investment policy is available on the web site www.candriam.com and will be included in the annual report.

## V. INVESTMENT RULES

The UCITS will comply with the regulatory ratios applicable to general UCITS under French law that comply with Directive 2009/65/EC as defined by the Code Monétaire et Financier. The risk diversification rules applicable to this UCITS must be followed at all times. If these limits are exceeded independently of the Management Company or as a result of the exercise of a subscription right, the priority objective of the Management Company will be to rectify the situation as soon as possible, taking into consideration the interests of the unitholders of the UCITS.

## VI. OVERALL RISK

The UCITS' global exposure is calculated using the absolute value at risk (VaR) method. The absolute VaR corresponds to the potential loss in 99% of cases over a period of 20 business days under normal market conditions. The VaR level for a 99% confidence range is below 20%.

The anticipated maximum leverage will be 1.5 times the net assets. This leverage will be calculated for all derivative instruments according to the nominal method. There may, however, be temporary exposure to a higher leverage.

## VII. REMUNERATION

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 rules of the FCP.  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 FCP and the investors, and includes measures to avoid conflicts of interest.

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 unitholders of the FCP, in order to ensure that the performance evaluation process is based on the long term performance of the FCP 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.

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

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

https://www.candriam.com/fr/private/sfdr/
https://www.candriam.com/fr/professional/sfdr/

A printed copy is available free of charge on request.

### 1. Valuation rules

ETFs and UCIs
ETFs and UCIs are valued at the net asset value representative of the markets on the reference date or in the absence thereof the preceding date.

Bonds
Bonds are valued at the closing price on the basis of contributor prices on the reference date.

Negotiable debt securities and other money market instruments
Negotiable debt securities and other money market instruments are valued using prices calculated on the basis of representative market data on the reference date.

Futures and options on organised markets
These financial instruments are valued at the closing prices on the various markets on the reference date.

Cleared OTC derivatives
Cleared OTC products are calculated based on models validated by the Management Company, using market data such as interest rate curves, spread curves, etc., available from specialised data providers. The prices obtained from the models are compared with those of the CCP.

Spot exchange rates
The spot exchange rates are valued from the market data available from specialised data providers.

Forward exchange
Forward exchange is valued on the basis of the market data available from specialised data providers (spot price, rate curve, etc.).

Credit derivatives
Credit derivatives are calculated based on models validated by the Management Company, using market data such as the spread curve, interest rate curve, etc., available from specialised data providers. The prices obtained are compared with those of the counterparties.

Rate swaps
Uncleared interest rate swaps are calculated in the systems with market data such as the interest rate curve, etc., available from specialised data providers. The prices obtained are compared with those of the counterparties.

Other OTC derivatives
OTC products are calculated based on models validated by the Management Company, using the market data available from specialised data providers (volatility, interest rate curve, etc.).
The prices obtained from the models are compared with those of the counterparties.

Repurchase and reverse repurchase agreements, lending and borrowing of securities
Repurchase agreements, reverse repurchase agreements and securities borrowing/lending are valued at cost plus interest.

Exceptional treatment
Debt securities in which there are not significant amounts of transactions or for which the price is clearly not representative of the market, may be valued on the basis of an estimated method and under the responsibility of the Management Company. In addition, the actuarial method may be used, the rate applied being that for issues of equivalent securities, where applicable, allocated by a differential representative of the intrinsic characteristics of the issuer of the security.
Options in which there are not significant amounts of transactions and/or for which the price is clearly not representative of the market, may be valued on the basis of a method representative of the close of the market at responsibility of the Management Company.

Main sources
The principal specialised data providers for valuations are Bloomberg, IDC, CMA, WMC and Factset. The Management Company may, nevertheless, change these at its own responsibility if it deems appropriate.

**Off-balance sheet**

The off-balance sheet commitment relating to interest rate and currency swaps corresponds to the nominal contract value.
The off-balance sheet commitment on French and foreign forward markets is calculated based on the regulations in force.
Futures: quantity by nominal amount by trading price in the contract currency,
Conditional forward transaction: quantity by delta by unit of trading by settlement price of the underlying by currency.
The off-balance sheet commitment on credit default swaps corresponds to the contract nominal.

### 2. Net asset value adjustment method ("swing pricing") with a trigger threshold (from 22 May 2017)

Starting on 22 May 2017, the Management Company has established a net asset value (NAV) adjustment method with a trigger threshold.
The mechanism is not triggered until the sum of net subscription/redemption orders from investors for all classes of units of the fund exceeds a predefined threshold.
The aim of this mechanism is to ensure the fair treatment of investors in the presence of subscription/redemption operations, by spreading the costs of these subscription/redemption operations among all unitholders (incoming or outgoing).
In particular, on valuation days when the difference between the amount of subscriptions and the amount of redemptions for an FCP (i.e. net transactions) exceeds the threshold previously set by the Management Company, the Management Company reserves the right to value the securities portfolio of the FCP by setting a level of spreads representative of the market concerned (in the case of net inflows or net outflows respectively) by adjusting the NAV in this way upwards or downwards: This is known as a "swung NAV".
The NAV of each category of units is calculated separately but any adjustment has an identical impact in percentage terms on all the NAVs of the categories of units in the fund.
It is not possible to know in advance how adjustments will be applied or how frequently.
The swung NAV is the only net asset value of the fund and is the only one communicated to the unitholders of the fund. However, if there are outperformance fees, they are calculated using the NAV before the adjustment mechanism is applied.
In accordance with the regulations, the parameters of this mechanism are known only to those responsible for its implementation.

### 3. Accounting method:

The accounting method for recording revenues on financial instruments is the accrued coupon method.

PROSPECTUS UPDATED ON: 07/10/2024

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:**

Candriam Long Short Credit - Candriam Long Short Credit

**Legal entity identifier**

N8YTW5PW7U7PBSHN8C33

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

# Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| Yes | X No |
|---|---|
| It will make a minimum of **sustainable investments with an environmental objective**: _% | X It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10 % of sustainable investments |
| in economic activities that qualify as environmentally sustainable under the EU Taxonomy | with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | X with a social objective |
| It will make a minimum of **sustainable investments with a social objective** _% | It promotes E/S characteristics, but **will not make any sustainable investments** |

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

## What environmental and/or social characteristics are promoted by this financial product?

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

The fund promotes environmental and social characteristics as follows:

- by seeking to avoid exposure to companies that present both significant and severe structural risks and that are the most seriously in breach of the normative principles, taking account of their practices with regard to environmental and social issues and of adherence to norms such as the UN Global Compact and the OECD Guidelines for Multinational Enterprises,

- by seeking to avoid exposure to companies that are significantly exposed to controversial activities such as the mining, transport or distribution of thermal coal, the production or retail of tobacco, and the production or sale of controversial weapons (anti-personnel mines, cluster bombs, chemical, biological, white phosphorus and or depleted uranium weapons),

- by seeking to achieve a carbon footprint that is below an absolute threshold.

In addition to the above, Candriam's ESG research methodology is an integral part of the investment process. Finally, the fund seeks to invest a minimum proportion of its assets in sustainable investments.

No benchmark has been designated in order to achieve the environmental or social characteristics promoted by the sub-fund.

- ***What Sustainability Indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The sustainability indicators used in order to measure the achievement of environmental and social characteristics are the following:

- carbon footprint: the fund seeks to achieve a carbon footprint below an absolute threshold for private issuers,

- steps to ensure that there are no investments in issuers in violation of the UN Global Compact and the OECD Guidelines for Multinational Enterprises,

- steps to ensure that there are no investments in issuers exposed to controversial weapons,

- steps to ensure that there are no investments in issuers particularly exposed to the mining, transport or distribution of thermal coal,

- steps to ensure that there are no investments in issuers particularly exposed to the production and distribution of tobacco.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The sustainable investments which the fund intends to make for part of the portfolio aim to contribute to a reduction in greenhouse gas emissions by means of exclusions and the use of climate indicators in the analysis of companies, and they aim to have a positive environmental and social impact in the long term.

Concerning sustainable investments with environmental objectives, the fund, through its sustainable investments defined by Candriam's exclusive ESG analysis, may over the long-term contribute to one or more of the following environmental objectives as set out in Article 9 of Regulation (EU) 2020/852:

a) climate change mitigation,

b) climate change adaptation,

c) the sustainable use and protection of water and marine resources,

d) the transition to a circular economy,

e) pollution prevention and control.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The sustainable investments which the financial product makes do no significant harm to any sustainable environmental or social investment objectives, to the extent that Candriam takes account of the principal adverse impacts and aims for alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, through the framework of its ESG ratings and its exclusions policy on controversial activities and normative policy.

Companies that contribute negatively to environmental and/or social sustainable investment objectives and that consequently do significant harm to these objectives through their adverse impacts will consequently tend to be allocated a poor score under Candriam's ESG rating system. It is therefore highly likely that they be excluded from the eligible investment universe. The principal adverse impacts correspond to the most significant adverse impacts of the investment decisions on the sustainability factors linked to environmental, social and personnel issues, in terms of human rights and anti-corruption.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti‐corruption and anti‐bribery matters.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

For these sustainable investments realised partially by the fund, indicators of the principal adverse impacts on sustainability factors were considered using Candriam's ESG rating framework, exclusions from controversial activities and exclusions based on standards.

For example:

1. Through the exclusion of companies involved in controversial activities and standards-based exclusions, which are based on an analysis of companies' compliance with international standards, Candriam takes account of the following principal adverse impacts (PAIs):

• PAI 3, 4 and 5: Exclusion of companies with significant exposure to conventional and non-conventional fossil fuel activities and/or non-renewable energy production. For PAIs 4 and 5, Candriam applies thresholds when taking account of exposure to these activities.

• PAI 7: Activities adversely impacting biodiversity sensitive areas. For example, Candriam excludes companies involved in palm oil (thresholds based on palm oil not certified by the RSPO).

• PAI 10: Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises.

• PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions,chemical weapons and biological weapons).

2. By analysing the contribution of a company's business activities to the main sustainability challenges of climate change and resource depletion, Candriam takes account of the following principal adverse impacts:

• PAI 1, 2, 3, 4, 5 and 6: By assessing the main sustainability challenges of climate change, Candriam analyses a company's exposure to climate risks as well as the intensity of GHG emissions generated by their business activities. This assessment is used to determine whether the company's business activities contribute positively or negatively to climate change.

• PAI 7, 8 and 9: Assessment of the impact of a company's business activities on the depletion of natural resources.

3. Through entity level engagement: In order to avoid and/or reduce adverse impacts on sustainability factors, Candriam also considers adverse impacts through its Enterprise-wide Engagement Programme, which includes dialogue with companies and the exercise of voting rights. Candriam prioritises engagement and voting activities based on an evaluation of the most significant and the most relevant ESG challenges faced by the sectors and the issuers, taking account of the financial, social and environmental impacts. Therefore, the level of engagement may vary from one issuer to another depending on Candriam's prioritising methodology.

The main themes of Candriam's engagement and voting practices are the energy transition, fair working conditions and business ethics. For example, in its dialogue and voting activities, Candriam takes into account PAI 1, 2 and 3 (GHG emissions, carbon footprint and GHG intensity), PAI 4 (exposure to fossil fuels), PAI 6 (energy consumption intensity by sector with high climate impact), PAI 10 (violations of the United Nations Global Compact Principles and the OECD Guidelines for Multinational Enterprises), as well as PAI 12 and PAI 13 (gender).

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

The investments in the portfolio undergo a normative analysis examining respect for international social, human, environmental and anti-corruption norms as defined in the UN Global Compact and the OECD Guidelines for Multinational Enterprises. The conventions of the International Labour Organisation and the International Bill of Human Rights are among the many international references embedded in the normative analysis and Candriam's ESG analysis framework.

The analysis seeks to exclude companies which have significantly and/or repeatedly breached one of these principles.

Additional information on how Candriam takes account of the “do no significant harm” principle can be found at the links mentioned at the end of this Appendix.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

## Does this financial product consider principal adverse impacts on sustainability factors?

x YES, at the fund level, as indicated in Annex I of the SFDR delegated Regulation supplementing Regulation (EU) 2019/2088, the Principal Adverse Impacts (PAIs) on sustainability factors are taken into account – as described in the Level 1 PAIs in the document entitled "Principal Adverse Impact at Product Level" – by one or more of the following means:

• Exclusions:

Through the exclusion of companies involved in controversial activities and standards-based exclusions, which are based on an analysis of companies’ compliance with international standards, Candriam takes account of:

• PAI 10: Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises.

• PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions,chemical weapons and biological weapons).

• Engagement and voting:

In order to avoid and/or reduce adverse impacts on sustainability factors, the fund also considers adverse impacts through its Entity-wide Engagement Programme, which includes dialogue with companies and the exercise of voting rights. Candriam prioritises its engagement and voting activities based on an evaluation of the most significant and the most relevant ESG challenges faced by the sectors and the issuers, taking account of the financial, social and environmental impacts. Therefore, the level of engagement may vary depending on the issuers and Candriam’s prioritising methodology.

The main themes of Candriam’s engagement and voting practices are the energy transition, fair working conditions and business ethics. For example, in its dialogue and voting activities, Candriam takes into account PAI 1, 2 and 3 (GHG emissions, carbon footprint and GHG intensity), PAI 4 (exposure to fossil fuels), PAI 6 (energy consumption intensity by sector with high climate impact), PAI 7 (activities having an adverse impact on biodiversity sensitive zones) PAI 10 (violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), as well as PAI 12 and PAI 13 (gender).

• Monitoring:

Monitoring includes calculating and assessing the main adverse impacts on sustainability factors, including reporting at the fund level. For funds using carbon footprint as a sustainability indicator, PAI 2 is covered by this monitoring approach. PAI 3 (GHG intensity of investee companies) is monitored for funds forming part of Candriam’s commitment to the Net Zero Asset Manager initiative. Also PAI 10 (violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 14 (exposure to controversial weapons)

The indicators of specific principal adverse impacts taken into account depend on data quality and availability and may change as data quality and availability improve. If it is not possible to use a principal adverse impact indicator due to data limitations or other technical issues, the fund manager may use a representative replacement indicator.

More extensive information on the types of PAI considered can be found through the links provided at the end of this Annex (document entitled “Principal adverse impacts at product level”).

☐ No

## What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In connection with its totally discretionary management, the fund's objective is to seek to achieve, over the minimum recommended investment term, an absolute performance exceeding the capitalised €STR for the C, V, R, R2, Z and RS units in EUR, exceeding the capitalised SARON for the C and V units in CHF and exceeding the EFFR for the C units "in USD", with an average annualised volatility objective of less than 5% under normal market conditions.

The investment strategy is applied according to a well-defined investment process and a rigorous risk framework. Adherence to these elements is subject to risk monitoring by Candriam.

Regarding the environmental and social aspects of the investment strategy, Candriam’s proprietary ESG analysis (which produces ESG ratings and scores) and a normative controversy evaluation (including the controversial activity exclusion policy) are applied, making it possible to define the investable universe for the sub-fund.

Furthermore, Candriam’s ESG analysis, which includes an analysis of the issuer’s activities and its interaction with its main stakeholders, is an integral part of the financial management of the portfolio, enabling the asset manager to identify the risks as well as opportunities around the serious challenges of sustainable development.

As the management company, Candriam has established a monitoring framework as described in the sustainability risk management policy. Monitoring of the sub-fund’s investment strategy risks seeks to ensure that the investments are aligned with and take account of environmental, social and governance indicators and the sustainability thresholds as explained above.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The investment strategy contains binding elements such as an exclusion policy comprising a normative filter as well as the exclusion of certain controversial activities as described in Candriam’s Level 1 Company-Wide Exclusions Policy. Candriam’s Level 1 Company-Wide Exclusions Policy is aimed at harmful activities that in Candriam’s opinion have a substantial negative impact and involve significant financial and sustainability risks. Exposure to these activities presents significant systemic and reputational risks for invested companies from economic, environmental and social points of view.

Consequently Candriam excludes activities linked to controversial weapons, tobacco and thermal coal from all the portfolios that it manages directly and encourages third parties to do likewise.

Candriam’s Level 1 Company-Wide Exclusions Policy applies to all investments made by Candriam by way of long positions in direct lines on private sector and sovereign issuers and derivative products on individual issuers.

The full list of activities excluded by virtue of Candriam’s Level 1 Company-Wide Exclusions Policy and their respective thresholds and exclusion criteria are available through the links provided at the end of this Annex (document entitled “Candriam Level 1 Company-Wide Exclusions Policy”).

In addition, the portfolio is constructed in order to achieve or to respect:

- the objectives of the sustainability indicator described above,

- the defined minimum proportion of investments which have environmental and social characteristics,

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

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The fund is subject to an exclusion policy comprising a normative filter as well as the exclusion of certain controversial activities. There is no committed minimum rate to reduce the scope of the investments considered prior to the application of the investment strategy

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- ***What is the policy to assess good governance practices of the investee companies?***

The company’s governance is a core aspect of the stakeholder analysis performed by Candriam. It can be used to evaluate:

1) how a company interacts with and manages its stakeholders, and

2) how a company’s board of directors discharges its governance and management functions regarding disclosure and transparency and regarding consideration of sustainability objectives.

In order to evaluate a company’s governance practices specifically regarding the stability of the management structures, labour relations, staff remuneration and tax compliance as defined by the SFDR, Candriam’s ESG analysis includes five key pillars of governance:

1. The strategic orientation, which evaluates the independence, expertise and composition of the board of directors and ensures that the board acts in the interests of all shareholders and other stakeholders and that it is able to act as an effective counterweight to management,

2. An audit committee and an evaluation of the independence of the auditors in order to avoid conflicts of interest,

3. Transparency around the remuneration of senior managers, enabling managers and the remuneration committee to be held to account by the shareholders, to align the interests of senior management with those of the shareholders, and to focus on long-term performance,

4. The share capital to ensure that all the shareholders have equal voting rights,

5. Financial conduct and transparency.

## What is the asset allocation planned for this financial product?

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

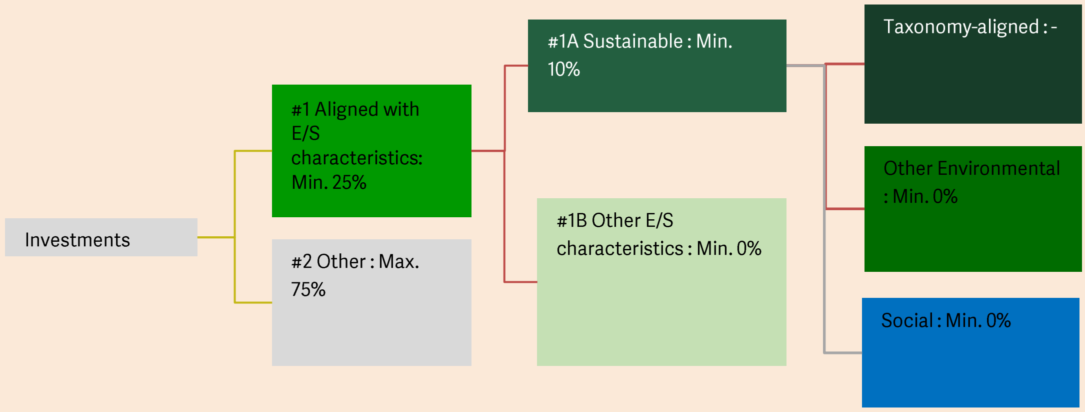
The sub-fund seeks to place at least 25% of its total new assets in investments which have environmental and social characteristics (this is not a high threshold due to the nature of the investment strategy, which may have a low or negative market exposure), of which a minimum of 10% will consist of sustainable investments A maximum of 75% of the total net assets of the sub-fund may be allocated to other assets as defined below.

The investments which have environmental and social characteristics are investments which undergo Candriam’s proprietary ESG analysis and are eligible on the basis of their ESG rating. In addition, these investments must respect Candriam’s exclusion policy concerning controversial activities and the normative filter. The investments which have E/S characteristics must demonstrate good governance practices.

Sustainable investments are defined on the basis of Candriam’s proprietary ESG analysis. An issuer which respects Candriam’s exclusion filters is either eligible or not as a sustainable investment on the basis of its ESG rating.

For more detail about Candriam’s ESG analysis, please see its website.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

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

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

The use of derivative products is not intended to achieve the environmental or social characteristics promoted by the sub-fund.

**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The EU Taxonomy Regulation establishes six distinct but interconnected environmental objectives. These environmental objectives are placed at the heart of Candriam's ESG research and analysis of issuers.

At the present time, however, only a small number of companies worldwide publish the necessary information for a rigorous evaluation of their alignment with the Taxonomy.

As a result, the sub-fund does not commit to a minimum Taxonomy alignment percentage, meaning that this percentage must be considered to be zero.

**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy ?**[1]

☐ Yes

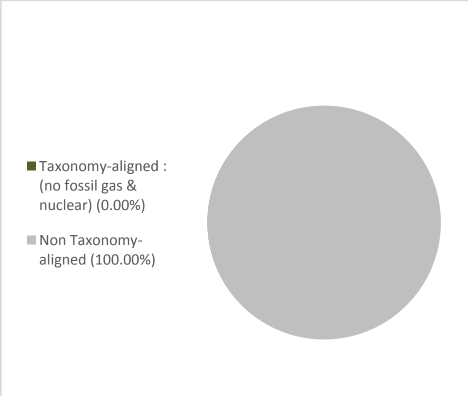
☐ In fossil gas ☐ In nuclear energy

X No

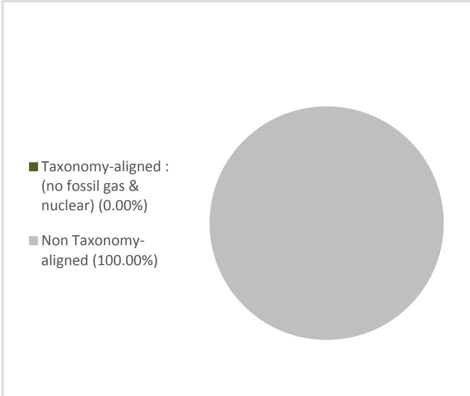
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas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

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.***

1. Taxonomy alignment of investments **including sovereign bonds***




2. Taxonomy alignment of investments **excluding sovereign bonds***




This graph represents max. 100 % of the total investments.

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

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

### *What is the minimum share of investments in transitional and enabling activities?*

No minimum proportion of investments in transitional and/or enabling activities has been fixed. However, Candriam's ESG research and analysis framework includes an evaluation of transitional and/or enabling activities and how they contribute to the sustainability objectives.

## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

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

The fund does not commit to a minimum of sustainable investments whose environmental objective is not aligned with the EU Taxonomy.

## What is the minimum share of socially sustainable investments?

There is no hierarchy of environmental or social objectives and as a result, the strategy neither seeks nor commits to a specific minimum proportion of sustainable investments with a social objective.

## What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Investments in the “Others” category may only be held in the sub-fund up to a maximum of 75% of the total net assets.

Such investments may be:

- cash and cash equivalents: demand deposits, reverse repurchase transactions that are necessary in order to manage the liquidity of the sub-fund following subscriptions/redemptions and/or resulting from the sub-fund’s market exposure decision

- issuers which had E/S characteristics at the time of investment and which are no longer fully aligned with Candriam’s E/S investment criteria. The intention is to sell these investments,

- other investments including single name derivatives which may be purchased for diversification purposes and which cannot undergo ESG filtering or for which ESG data is not available but which as a minimum respect the principles of good governance,

- non single name derivatives may be used for efficient portfolio management and/or for hedging purposes and/or temporarily following subscriptions/redemptions.

## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No specific index has been designated as a benchmark in order to evaluate alignment with E/S characteristics.

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

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

N/A

- ***How does the designated index differ from a relevant broad market index?***

N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

N/A

## Where can I find more product specific information online?

For more detailed information about the product, go to:

https://www.candriam.com/en/private/sfdr/

https://www.candriam.com/en/professional/sfdr/

# UK SUPPLEMENT

relating to the issue of units of

**Candriam Long Short Credit**

**This UK Supplement should be read in conjunction with and forms part of the latest version of Prospectus as amended or supplemented from time to time (the "Prospectus")**. References to the Prospectus are to be taken as references to that document as supplemented or amended hereby. In addition, words and expressions defined in the Prospectus, unless otherwise defined below, shall bear the same meaning when used herein.

Candriam Long Short Credit (the "**Fund**") (a French Fonds Commun de Placement - FCP) is a recognised collective investment scheme for the purposes of section 264 of the Financial Services and Markets Act 2000 ("**FSMA**") of the United Kingdom.

The Fund has appointed CANDRIAM, whose registered office is SERENITY Bloc B, 19-21, route d'Arlon, L-8009 Strassen, Grand Duchy of Luxembourg (the "**Management Company**"), to take care of the investment management and promotional services related to the Fund. The Management Company is EEA authorised and is regulated by the *Commission de Surveillance du Secteur Financier – CSSF* in Luxembourg and the Financial Conduct Authority (the "**FCA**") in the United Kingdom.

The Prospectus is being distributed in the United Kingdom by the Management Company. Other persons distributing the Prospectus in, from, or into the United Kingdom must satisfy themselves it is lawful to do so.

In making an investment decision, prospective investors must rely on their own examination of the legal, taxation, financial and other consequences of an investment in the Fund and the terms of the offering including the merits and risks involved. Prospective investors should not treat the contents of this document as advice relating to legal, taxation or investment matters and are advised to consult their own professional advisers concerning the acquisition, holding or disposal of units.

## Dealing Arrangements and Information

Kroll Advisory Ltd (the "**Facilities Agent**") has been appointed, pursuant to an agreement with the Management Company to act as the facilities agent for the Fund in the United Kingdom and it has agreed to provide certain facilities at its offices at The News Building, Level 6, 3 London Bridge Street, London SE1 9SG, United Kingdom, in respect of the Fund.

The attention of investors is drawn to the subscription and repurchase procedures contained in the Prospectus in particular with regard to the deadlines for the Fund. Requests for the repurchase of units (a "**Redemption Request**") may be sent to either the Facilities Agent at the abovementioned offices or the Transfer Agent of the Fund at the offices mentioned in the Prospectus.

Units are issued and repurchased at the net asset value per unit as determined on the relevant valuation day as set out in the Prospectus. Details of the determination of the net asset value per unit are set out in the section entitled "Commercial information" in the Prospectus. Information on the most recently published net asset value per unit may be obtained from either the Facility Agent at the abovementioned offices or the Management Company.

## Documents Available for Inspection

The following documents of the Fund may be obtained free of charge during usual business hours from the offices of the Facilities Agent:

(a) The management rules of the Fund and any amendments thereto;
(b) the prospectus most recently issued by the Management Company together with any supplements;
(c) the key investor information documents most recently issued by the Management Company, and
(d) the most recently produced annual and half yearly reports relating to the Fund.

Complaints about the operation of the Fund may be submitted to the Management Company directly or through the Facilities Agent at the following address:

Kroll Advisory Ltd
The News Building, Level 6, 3 London Bridge Street,
London SE1 9SG, United Kingdom

The date of this UK Supplement is October 7, 2024.