FCP under French law

ANNUAL REPORT
CANDRIAM RISK ARBITRAGE

As at 29 December 2023

Management company: CANDRIAM

Auditors: PRICEWATERHOUSECOOPERS AUDIT

CANDRIAM - 19-21 route d'Arlon - L-8009 Strassen - Grand Duchy of Luxembourg

Characteristics of the UCI

Legal form of the UCI

Fonds Commun de Placement (FCP) under French law.

Description of the units

Unit	ISIN code	Allocation of distributable income	Currency	Minimum initial subscription		Original net asset value	Type of subscriber	Foreign exchange risk hedging
				initial *(*)*	subscriptions			
C	FR0000438707	Capitalisation	EUR	None	None	EUR 15,244.90	All subscribers	Cf. risk profile
N	FR0010988055	Capitalisation	EUR	None	None	EUR 1,000.00	Distributors approved by Candriam	Cf. risk profile
U	FR0013251766	Capitalisation	EUR	None	None	150.00 EUR	Life assurance products marketed in Italy	Cf. risk profile
R	FR0013312345	Capitalisation	EUR	None	None	150.00 EUR	Financial intermediaries (including distributors and platforms) which: - have different arrangements with their clients for the provision of investment services in connection with the fund, and - 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.	Cf. risk profile

Unit	ISIN code	Allocation of distributable income	Currency	Minimum initial subscription		Original net asset value	Type of subscriber	Foreign exchange risk hedging
				initial *(*)*	subscriptions			
R2	FR0013251782	Capitalisation	EUR	None	None	150.00 EUR	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	Cf. risk profile
RS	FR0013480332	Capitalisation	EUR	EUR 50,000,000 .00	None	1500.00 EUR	Distributors and intermediaries appointed by the Management Company who will not receive any compensation from the Management Company	Cf. risk profile
Z	FR0013251790	Capitalisation	EUR	None	None	EUR 1,500.00	UCIs approved by the Management Company and managed by a Candriam Group entity.	Cf. risk profile
O	FR0013334554	Capitalisation	EUR	None	None	EUR 1,500.00	Feeder funds managed by OFI Asset Management	Cf. risk profile
I	FR0013353570	Capitalisation	EUR	EUR 250,000.00	None	EUR 1,500.00	All subscribers	Cf. risk profile
I2	FR0013353786	Capitalisation	EUR	EUR 250,000.00	None	EUR 1,500.00	All subscribers	Cf. risk profile
I in USD	FR0013446366	Capitalisation	USD	EUR 250,000.0 0 or equivalent in USD	None	USD 1,500.00	All subscribers	Full and systematic against the euro

(*)The minimum initial subscription amount will not apply to the Management Company, to Candriam Group entities or funds managed by Group entities.

Management objective

In connection with its totally discretionary management, the fund's objective is to seek to outperform the capitalised €STR index for units denominated in EUR and the capitalised Effective Federal Funds Rate for USD units over the minimum recommended investment period.

<u>Benchmark index</u>
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
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.
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. This is a short term rate in euros that reflects unsecured overnight borrowing costs in euros for banks in the euro zone:

Use of the index
- To compare performance,
- 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. It is available from https://www.emmi-benchmarks.eu. The EFFR index is provided by the Federal Reserve Bank of New York (New York Fed). 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.

<u>Investment strategy</u>
- Strategies used

The fund's management strategy aims to outperform the EONIA for units denominated in EUR and the FED FUND for USD units over the recommended investment period, mainly through the use of arbitrage strategies in so-called "special situations", mostly involving European and North American equities. The fund's risk management approach aims to limit volatility (to less than 5%).

The portfolio is managed based on two focal points:
- Dynamic strategy,
- Portfolio fund management strategy.

This fund does not particularly take into account an analysis of ESG aspects, and more precisely it does not have sustainable investment as its objective and does not specifically promote environmental and/or social characteristics, as described in the SFDR Regulation.

The fund does not systematically take into account the principal adverse impacts on sustainability for one or more of the following reasons:
- All or some of the issuing companies do not provide sufficient PAI data,
- - The PAI element is not considered to be a predominant element in the fund's investment process,
- The fund uses derivative products for which the processing of PAI elements has not yet been defined and standardised".
- The underlying funds might not take account of the principal adverse impacts on sustainability factors

as defined by the Management Company.

The investment strategy excludes companies that are significantly exposed to controversial activities (notably tobacco, thermal coal and weapons, etc.). The strategy does not invest in companies that produce, use or hold anti-personnel landmines, cluster bombs, depleted uranium, chemical, biological or white phosphorus weapons.

These exclusions are applicable to direct line investments of which Candriam is the Management Company.

Under certain conditions, the analysis and selection process may also be accompanied by a dialogue with the companies.
Details of Candriam's exclusions policy and company engagement policy are available on the Management Company's website at:

https://www.candriam.com/4b0e56/siteassets/medias/publications/brochure/corporate-brochures-and-reports/engagement-policy/candriam_engagement_policy.pdf

https://www.candriam.com/siteassets/medias/publications/sri-publications---candriam-policies/exclusion-policy.pdf

Alignment with the Taxonomy
For the funds which do not have sustainable investment as their objective and which do not specifically promote environmental and/or social characteristics, the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.
For more details please see the transparency code on the Management Company's website: https://www.candriam.com/en/private/market-insights/sri-publications/#transparency

1. **Dynamic strategy**

The investment strategy is an alternative management strategy referred to as "special situations". According to this methodology, the main investment parameter is whether or not any event occurs that is likely to create a discontinuity in the price of a given asset.

The fund invests in all geographical areas, focusing on Europe and North America.

The assets considered are mainly equities, convertible bonds and/or derivatives.

Each special situation is analysed so as to identify the investment opportunity offering the optimum risk/return ratio in relation to that special situation in the portfolio, irrespective of the sector.

These special situations consist of any type of event that may create discontinuity in the price of an asset.

The fund is invested mainly in the declared cash or share tender offers segment: the strategy for this segment consists in buying or selling the selected assets of companies involved in a cash or share tender offer transaction in order to benefit from the transaction.
The main risk here is whether or not the transaction will be completed. This strategy may be implemented, for example, by buying or selling shares in the companies involved in a merger or acquisition. Mergers and acquisitions impact on all asset classes, making it possible for the management team to benefit from the transaction via products other than equities.
To a lesser extent, other special situations may be included such as demergers, a change in share ownership, a change in capital structure, sales of assets, management and strategy changes, etc.
Regulatory events are also taken into consideration, as are any developments within a sector which may result in changes in the strategic positioning of players in that sector.

There is no exhaustive list of special situations: any type of event that may create a discontinuity in the price of an asset is a special situation.

This strategy consists in buying or selling a security in order to benefit from an event, while hedging systemic market risk in the most appropriate way (for example, if the situation from which the management team wishes to benefit consists in buying a security, the market risk could be hedged by selling another equity in the same sector, or by using derivatives).

Exposure to any given event may be achieved by means of either securities or forward financial instruments. Investment opportunities may be identified at two levels:

(i) By monitoring all equity financing operations announced or under consideration,

(ii) By monitoring sectors and companies using a theme-based approach (regulatory changes, changes in share ownership, balance sheet restructuring, etc.) in order to identify opportunities ahead of announcements.

The selection of positions is discretionary. It is based on an analysis in order to determine the yield/risk pairing for each situation. The positions offering the best yield/risk pairing in line with the fund's objective and which meet the total risk criteria of the portfolio are then added to the portfolio.
The quantification of the risk/return ratio requires a detailed examination of the probability of success of the special situation under consideration.

Lastly, before adding a position to the portfolio, the management team endeavours to identify all the risks associated with that position, the extent to which these risks are compatible with the portfolio and the risks to be hedged where necessary.

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) 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 fund may also make use of efficient portfolio management techniques as described below. This part of the portfolio represents between 0 and 100% of the fund's net assets.

- **Instruments used**

1. Equities

These are mainly equities traded on a regulated market in all geographical areas, focusing on European and/or North American regulated markets. Investments will essentially be in large and mid-cap securities. Nevertheless, the asset manager reserves the right to invest up to 30% in companies with a market capitalisation of EUR 250 million or lower. This part of the portfolio represents between 0 and 100% of the fund's net assets.

2. Debt securities and money market instruments

These are mainly bonds and negotiable debt securities, including *commercial paper*, of all types of issuers with a short-term rating of at least A-2, when acquired, (or equivalent) from at least one recognised ratings agency or considered to be of equivalent quality by the Management Company.
Debt instruments are selected on the basis of an internal analysis of the credit risk. The sale or purchase of a line is therefore not solely based on the rating by the ratings agencies, but under the best conditions compatible with the interests of the unitholders.
This part of the portfolio represents between 0 and 100% of the fund's net assets.

3. Shares or units in UCITS

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 AIF or foreign investment funds which do not hold more than 10% of UCI units or of foreign investment funds and which meet the 3 other criteria of the Code Monétaire et

Financier.
Within this limit, the fund may invest in ETFs (Exchange Traded Funds) traded on regulated markets.
The UCIs will be managed by Candriam or by an external Management Company.
Investment is for the purpose of diversifying the portfolio and optimising performance.

4. **Other assets**

The fund may invest up to 10% of its assets in eligible financial securities or money market instruments not traded on a regulated market - that is, subscription warrants and contingent value right (CVR) certificates.

5. **Derivative financial instruments: limited by the VaR of the fund**

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, warrants etc. arising notably from equity, interest rate and foreign exchange 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, financial indices (equities, indices, volatility etc.) in which the fund may invest in accordance with its investment objectives. Such transactions may relate to a maximum of 200% of the net assets.
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 including derivatives**

As part of its strategy, the portfolio may be invested in convertible bonds up to a limit of 50% of the assets.
It may hold callable and/or puttable bonds, and more generally any financial instrument containing a financial contract.

7. **Deposits**

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:

Securities borrowing
For cash management purposes, the fund may use securities borrowing transactions corresponding to up to 100% of the net assets.
The proportion is normally expected to vary between 0% and 75%.

Securities lending transactions
The fund may lend the securities in its portfolio to a borrower directly or through a standardised lending system organised by a recognised securities settlement service or a lending system organised by a financial institution that is subject to prudential supervision rules and that specialises in this type of transaction.
The proportion is normally expected to vary between 0% and 75%.

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 100% of the net assets. The proportion is normally expected to vary between 25% and 75%.
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 guarantees for OTC derivative products and efficient portfolio management techniques below

Restrictions on reinvestment of financial collateral received
See point 10 entitled Management of financial guarantees 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 securities lending activities
Income from securities lending is returned in full to the fund after deduction of costs and direct and indirect operational expenses. The costs and fees paid to the Management Company amount to a maximum of 40% of this income.
During the course of this activity, the Management Company is responsible for concluding securities lending operations and the resulting administrative follow-up, the supervision of activity risks, legal and fiscal monitoring of the activity as well as the hedging of the operational risks stemming from this activity.
The periodic reports contain detailed information on the income from securities lending activities and on the operational costs and fees engendered.

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

Remuneration policy for repurchase agreements
Income from repurchase agreements is paid in full to the fund.

Remuneration policy for securities borrowing activities
Income from securities borrowing activities is paid in full to the fund.

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 fund may 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, as applicable, of factors such as the nature and the characteristics of the transactions, the quality of credit and 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

The various transaction types set out in the section entitled Efficient portfolio management technique are valued on a daily basis 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.

Agreements constituting financial collateral
Cash overdraft: By way of security against the cash overdraft facility granted by the depositary bank or institution, the fund grants the latter financial collateral in the simplified form laid down in the provisions of articles L.413-7 and thereafter 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	Equities	Interest rates	Foreign exchange	Credit	Other	Hedging	Exposure
Futures in									
Equities	x	x	x		x			x	x
Interest rates	x	x		x				x	
Foreign exchange	x	x			x			x	
Indices	x	x	x					x	x
Volatility	x	x					x	x	x
Options in									
Equities	x	x	x		x		x	x	x
Indices	x	x	x		x		x	x	x
Swaps									
Equities		x	x		x			x	x
Interest rates		x		x				x	
Foreign exchange		x			x			x	
Indices		x	x					x	x
Volatility		x					x	x	x
Forward exchange									
Currency(-ies)		x			x			x	
Credit derivatives									
Credit default swaps (CDS)		x				x		x	
i-traxx		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.

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.

Since the fund may be exposed to small- and mid-cap stocks, which are generally more volatile than large-caps, its net asset value may follow the behaviour of these stocks. Since only a limited number of such securities are listed on the stock market, downward market movements tend to be quicker and more pronounced than for large-caps. This may lead to quicker and more significant falls in the net asset value of the UCITS.

Risk arising from cash and share tender offers

The cancellation of an offer, the extension of deadlines or unfavourable changes in the offer terms may significantly increase the volatility of the companies concerned. The occurrence of these events may cause the net asset value of the UCITS to fall.

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.

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.

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.

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.
Since the fund may be exposed to small- and mid-cap stocks, which are generally more volatile than large-caps, its net asset value may follow the behaviour of these stocks. Since only a limited number of such securities are listed on the stock market, downward market movements tend to be quicker and more pronounced than for large-caps. This may lead to quicker and more significant falls in the net asset value of the UCITS.

Risk arising from cash and share tender offers
The cancellation of an offer, the extension of deadlines or unfavourable changes in the offer terms may significantly increase the volatility of the companies concerned. The occurrence of these events may cause the net asset value of the UCITS to fall.

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.

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.

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 may experience serious political, social, legal and fiscal uncertainties or other events that could have a negative impact on the sub-funds investing in them. In addition, local depositary and sub-custodial services remain underdeveloped in non-OECD countries and emerging countries, and transactions carried out in these markets are subject to transaction risk and custody risk. In some cases, the fund may be unable to recover all or part of its assets or may be exposed to delays in delivery when recovering its assets.

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.

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

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

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:

- <u>Environmental:</u> 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.
- <u>Social:</u> 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.
- <u>Governance:</u> 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:
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.
- Consistency: 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 sub-fund is unable to benefit from.

Changes affecting the UCI

Changes made	Date of change
Changes to the prospectus	11 December 2023

Management report

Economic and financial environment

In the United States, nearly all economic indicators with the exception of residential real estate were looking good in January and February 2023 in spite of rate increases by the Federal Reserve (the Fed). The Fed increased its key rate by 25 basis points to 4.75% on 1 February. About 700,000 new jobs were created in those two months. The ISM services index was at 55.1 in February. This pushed the ten-year rate beyond 4% at the beginning of March.

However, the closures by the authorities of the 16th largest American bank (Silicon Valley Bank) on 10 March, following excessively large deposit withdrawals, and, a few days later, Signature Bank, raised fears of a risk of contagion to other medium-sized banks. The FDIC, in consultation with the Federal reserve and the US Treasury, invoked a Systemic Risk Exception which enabled the FDIC to insure all the deposits of these two banks (both insured deposits (< $250,000) and uninsured deposits). To avoid a liquidity and contagion problem, the Fed opened a new Bank Term Funding Program (BTFP), the specificity of which is that government bonds serving as collateral are valued at par and not at market prices. The action taken by the authorities lessened the risk of contagion and the stress affecting the financial markets subsided. Meanwhile, thanks to reduced supply chain tensions and lower energy and industrial metal prices, total inflation fell steadily in the early months of 2023 (5% in March 2023). Core inflation did not move much, oscillating around 5.5%. Indeed, although goods inflation was slowing, the "real estate" component of inflation (over 30% of the CPI) and that of non-real estate services did not slow at all. Wage growth remained significant and was an important factor in the price of services. These are the reasons why on 22 March, the Federal Reserve raised its key rate by 25 basis points to 5%, in spite of what was happening in that month. At the end of March, the ten-year rate fell by 35 basis points to 3.48% compared to the end of 2022. The stock market rose by 7%.

In the second quarter, as in the rest of the world, the manufacturing sector experienced sluggish growth while services grew steadily. Again, 600,000 new jobs were created during the quarter, with pay growth and core inflation falling back only slowly. In June, the unemployment rate was 3.6%. Second quarter GDP growth was 0.5% quarter-on-quarter compared to 0.6% in the first quarter. This prompted the Fed to increase its key rate by 25 basis points to 5.25% on 3 May.

At the FOMC meeting on 14 June, however, the Federal Reserve announced a pause in its tightening cycle. This boosted the stock market – especially in June – which increased by 8.3% over the quarter, driven by the hype around companies linked to artificial intelligence. The 10-year rate grew by 33 basis points to 3.81%. In the third quarter, despite a tightening of 525 basis points (the last 25 basis point rise was decided on 26 July) and the ratings downgrade of US debt by Fitch in early August, the American economy continued to create more than 650,000 jobs over the quarter.

In September, the unemployment rate was 3.8%, the ISM services index stayed above 50 and overall, the other economic indicators held up well. Despite these positive indicators, the Federal Reserve held its key rate constant at 5.5% at its meeting on 20 September, judging it to be sufficiently restrictive. These various developments created an expectation in the market that the United States would not go into recession but that the Fed would keep its rates high for longer in spite of core inflation falling to 4.1% (in September). With no prospect of recession in the United States and amid OPEC+ production cuts, the oil price rose steadily over the quarter. Brent and WTI both breached the 90 dollars per barrel mark at the end of September (compared to around $70 in early July). This all pushed the ten-year rate to 4.57% at the end of September, an increase of 77 basis points since the end of June. Over the same period, responding to the sharp rates rise, the stock market fell by 3.6%.

The labour market and activity in services were still growing by mid-October. At the end of October, third quarter GDP growth was announced at 1.2% quarter-on-quarter (making it the fifth quarter in succession with growth above 2% quarter-on-quarter). In this context, and with the bond risk premium climbing sharply, ten-year rates almost touched 5%. By early November, however, with barely 100,000 new jobs created, mortgage rates topping 8% and weakening ISM data, the markets were led to believe that activity might slow down quicker than forecast and that the Federal Reserve might lower its key rate sooner than expected. The ten-year rate went down as a result. In mid-December, this movement was amplified by the dovish messaging from the governor when the Federal Reserve met in mid-

December, with the 2024 forecasts for federal funds rates below those from September. In all, after this bond rally, the ten-year rate closed the year at 3.87%, i.e. three basis points higher than the end of 2022. The S&P500 ended 2023 up 24.2% over the year at 4770, thanks in large part to the 11.2% increase in the fourth quarter.

In the euro area, while Q1 2023 total inflation (6.9% in March) had been steadily declining since its peak in October 2022, core inflation continued to increase (5.7% in March) amid a tense labour market. The unemployment rate was 6.5% and wage growth was significant. This, combined with the ongoing fall in gas prices, led to an upwards revision of growth forecasts along with the expected ECB terminal rate. The ECB increased its key rate by 50 basis points to 3% on 2 February. Despite everything that was going on in the American banking system, the ECB again raised its key interest rate by 50 basis points to 3.5% at its meeting on 16 March.

Indeed, as Christine Lagarde pointed out, the European banking sector is resilient, well-capitalised and has no liquidity problems. The other reason for this rise was the ECB's latest macroeconomic forecasts, which showed that inflation was expected to remain too high for too long. Over the weekend of 18 and 19 March, the Swiss National Bank and the Swiss Financial Market Supervisory Authority organised the takeover of Credit Suisse by UBS. In all, at the end of March, the German ten-year rate fell by 27 basis points to 2.3% compared to the end of 2022. The stock market rose by 11.9%. In the second quarter, although the manufacturing and services PMI indices both declined, the services index stayed above 50. Compared to the start of the year, consumer confidence improved but with greater disparity among the countries of the euro area. The labour market remained buoyant. Salary growth of around five per cent and an increase in the workforce suggested that purchasing power would increase as inflation subsided. Although total inflation carried on declining (5.5% in June), core inflation showed more downward rigidity (5.5% in June). That is why the ECB increased its key interest rate twice, on 4 May and 15 June, by 25 basis points each time. At the end of June, the ECB's core rate was 4%, the German 10-year rate was 2.39% and the stock market grew by 1.0% over the quarter.

In the third quarter, despite diverging domestic growth in the euro zone and the United States, European rates changed throughout the quarter in line with American rates, albeit to a lesser extent. Although inflation fell, it remained high (4.3% in September), with core inflation decelerating even more slowly (4.5%). This prompted the ECB to again raise its rates twice during the quarter (first on 27 July to 4.25% and again on 14 September to 4.5%). In this environment of higher rates, activity slowed. Unlike the manufacturing PMI index for the euro zone, which had been languishing below the 50 bar for 14 months, the services PMI index went below that threshold for the first time in August. It became clear that euro zone growth was going to be sluggish at best, especially as the production cuts agreed by the OPEC+ countries weighed on the Brent price. Third quarter GDP growth was 0.1% quarter-on-quarter. In general terms, between the third quarter of 2023 and the third quarter of 2022, euro area GDP only managed a 0.1% increase. Government aid partly made up for this lack of growth due to the energy shock that badly affected household purchasing power and corporate activity. The only real positive in the euro zone economy was the still-rosy labour market. The unemployment rate was low at 6.5% (in September) and wage growth stayed quite high. This stabilised household consumption and supported growth. In all, the German ten-year rate fell by 42 basis points over the quarter to 2.81%. The stockmarket fell by 4.6% over the same period.

The fourth quarter was marked by further declines in the PMI surveys for manufacturing as well as services (the composite index averaged 47 over the quarter). Even so, with inflation down and wages up, households were expected to experience a boost in purchasing power. The German 10-year rates tracked the American rates, reaching 3% at the end of October. As in the United States, weak growth fuelled expectations of a faster reduction in key rates, especially as inflation and core inflation fall to 2.4% and 3.5% respectively in November. And yet at the last meeting of the ECB, its president indicated that now was not the time to lower key rates. Indeed, the labour market was holding up well with relatively solid wage growth, and these factors influenced the price of services in particular. In all, after the bond rally, the ten-year rate closed the year at 2 %, i.e. 56 basis points lower than the end of 2022. The stock market ended 2023 up 16% over the year, thanks in part to the 7.5% increase in the fourth quarter.

Notes concerning management

Generally speaking, 2023 was a lacklustre year for M&A arbitrage funds. The first half of the year was marked by a rather low level of M&A activity and two failed deals in succession in the United States: First Horizon Corp and Tegna Inc. These failures hit yields for the main strategy in the first quarter. The second half of the year saw performance pick up again because of the rebound in M&A activity, the stabilisation of interest rates and the regulators' loosening grip.

The recovery was most pronounced in North America, where the total volume of transactions exceeded 1,000 billion dollars in the last six months of the year, putting that six month period in the top five in terms of volume in recent decades. Deals larger than 20 billion dollars took centre stage, and the main drivers of the recovery were the sectoral themes of technology, energy and health.

The wave of year-end announcements received a strong boost from the healthier regulatory environment, now less hostile after the American regulator lost two court cases about the Activision/Microsoft and Horizon Therapeutics/Amgen deals. The stabilisation of interest rates also played a positive role.

In Europe, on the other hand, the recovery was not so pronounced, and the number of mergers and acquisitions announced did not match the trend in North America.

At Candriam, there was also a change of management team at the end of the first quarter following the departure of two senior asset managers who had been in position since 2018. The significant recovery in fund performance after the new asset manager was appointed is therefore explained by these inherent elements of the strategy but also by the marked improvement in the investment process.

The performance indicators for our strategy are currently showing green and 2024 looks like it will continue the progress made in the second half of 2023, boding well for our fund. We are positioned to benefit from this environment and the expected rates of return ought to allow us to achieve our management objectives.

The fund closed the year in positive territory.

No issuer in the portfolio suffered a credit event.

CREDIT DERIVATIVES
The portfolio did not use credit derivatives over the period

The units performed as follows:

Entity Name	Entity Currency	Return Begin date	Return End Date	NAV per share return	Ref. NAV per share return	Net Excess Return
Candriam Risk Arbitrage – C Cap	*EUR*	*30/12/2022*	*29/12/2023*	*1.48%*	*3.29%*	-1.81%
Candriam Risk Arbitrage - N Cap	*EUR*	*30/12/2022*	*29/12/2023*	*0.85%*	*3.29%*	-2.44%
Candriam Risk Arbitrage - R2 Cap	*EUR*	*30/12/2022*	*29/12/2023*	*1.75%*	*3.29%*	-1.54%
Candriam Risk Arbitrage - Z Cap	*EUR*	*30/12/2022*	*29/12/2023*	*1.93%*	*3.29%*	-1.36%
Candriam Risk Arbitrage - R Cap	*EUR*	*30/12/2022*	*29/12/2023*	*1.68%*	*3.29%*	-1.61%
Candriam Risk Arbitrage – I Cap	*EUR*	*30/12/2022*	*29/12/2023*	*1.68%*	*3.29%*	-1.61%
Candriam Risk Arbitrage - I2 Cap	*EUR*	*30/12/2022*	*29/12/2023*	*1.37%*	*3.29%*	-1.92%

Past performance may not be a reliable guide to future performance.

SFDR
Candriam Risk Arbitrage is classed under SFDR Article 6.

It does not systematically integrate ESG characteristics into its management framework. Nevertheless, sustainability risks are taken into account in investment decisions through Candriam's exclusion policy which excludes certain controversial activities.

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

Largest movements in the portfolio during the year

Securities	Movements ("Accounting currency")	
	Purchases	Sales
BQ POSTALE FLR 04-23		11 068 698,38
SOCIET 010223		9 049 430,79
CREDIT 280223		9 014 769,00
THE TORO B FLR 05-23		8 038 486,00
CREDIT 240223		7 529 395,20
BNP PAR FLR 02-23		7 528 657,70
SHAW COMMUNICATIONS	3 328 215,65	3 911 372,42
AUTOGRILL	2 912 860,03	3 981 589,85
CANDRIAM MONETAIRE Z	401 184,90	6 201 875,82
ORDINA NV	2 975 762,34	2 909 247,27

Regulatory information

Transparency of securities financing transactions and of reuse of financial instruments - SFTR Regulation - in the accounting currency of the UCI (EUR)

a) Loaned securities and commodities

	Securities lending	Securities borrowing	Repurchases	Reverse repurchases	TRS
Amount					
% of Net Assets*					

** % excluding cash and cash equivalents*

b) Pledged assets for each type of securities financing transaction and TRSs expressed as an absolute value

	Securities lending	Securities borrowing	Repurchases	Reverse repurchases	TRS
Amount				42 069 484,19	
% of Net Assets				69,05%	

c) Top 10 issuers of collateral received (excluding cash) for all types of financing transactions

	Securities lending	Securities borrowing	Repurchases	Reverse repurchases	TRS
EUROPEAN UNION EUROPEAN UNION				11 707 855,87	
EUROPEAN UNION EUROPEAN UNION				11 004 451,69	
KREDITANSTALT FUR WIEDERAUFBAU				10 340 782,50	
EUROPEAN INVESTMENT EUROPEAN UNION				6 345 118,65	
FRENCH GOVERNMENT FRANCE				4 024 994,51	

d) Top 10 counterparties in absolute value of the assets and liabilities without offset

	Securities lending	Securities borrowing	Repurchases	Reverse repurchases	TRS
CACEIS BANK LUXEMBOURG SA - LC				36 067 659,20	
NATIXIS				6 001 824,99	

e) Type and quality of collateral

	Securities lending	Securities borrowing	Repurchases	Reverse repurchases	TRS
Type					
- Equities					
- Bond				43 423 203,22	
- UCI					
- Negotiable debt security					
- Cash					
Rating				AAA à A-	
Currency of the collateral					
- Euro				43 423 203,22	

f) Contract settlement and clearing

	Securities lending	Securities borrowing	Repurchases	Reverse repurchases	TRS
Tripartite				X	
Central counterparty					
Bilateral	X			X	

g) Maturity tenor of the collateral broken down by tranche

	Securities lending	Securities borrowing	Repurchases	Reverse repurchases	TRS
Less than 1 day					
1 day to 1 week					
1 week to 1 month					
1 - 3 months					
3 months to 1 year				11 004 451,69	
More than 1 year				32 418 751,53	
Open					

h) Maturity tenor of the securities financing transactions and TRSs broken down by tranche

	Securities lending	Securities borrowing	Repurchases	Reverse repurchases	TRS
Less than 1 day					
1 day to 1 week				6 066 280,96	
1 week to 1 month				37 356 922,26	
1 - 3 months					
3 months to 1 year					
More than 1 year					
Open					

i) Data on reuse of collateral

	Securities lending	Securities borrowing	Repurchases	Reverse repurchases	TRS
Maximum amount (%)					
Amount used (%)					
Income for the UCI following reinvestment of cash collateral in euro					

j) Data on safekeeping of collateral received by the UCI

	Securities lending	Securities borrowing	Repurchases	Reverse repurchases	TRS
CACEIS Bank					
Securities				43 423 203,22	
Cash					

k) Data on safekeeping of collateral provided by the UCI

	Securities lending	Securities borrowing	Repurchases	Reverse repurchases	TRS
Securities					
Cash				1 426 099	

l) Data on income and costs, broken down

	Securities lending	Securities borrowing	Repurchases	Reverse repurchases	TRS
Income					
- UCI		782 142,49		1 428 281,55	
- Asset manager					
- Third party					
Costs					
- UCI					
- Asset manager					
- Third party					

e) Data on the type and quality of collateral
N/A - Cash collateral only.

i) Data on reuse of collateral
Collateral received in cash can only be reinvested by the UCI in reverse repurchase transactions or securities which according to the regulations are eligible for inclusion in the assets, notably capital securities, interest rate products, debt securities or UCI units. Collateral received as securities may be held, sold or re-used as collateral. The maximum amount of re-use is 100% of the received cash and securities.

k) Data on safekeeping of collateral provided by the UCI
N/A - Cash collateral only.

l) Data on income and costs, broken down
N/A - No temporary purchases and sales of securities.

Efficient portfolio management techniques and derivative financial instruments (ESMA) in euro

a) Exposure obtained through efficient portfolio management techniques and derivative financial instruments

Exposure obtained through efficient portfolio management techniques:
Securities lending:
Securities borrowing
Reverse repurchases: 42,069,484.19
Repurchases:

Underlying exposure achieved through derivative financial instruments: 33,786,679.50
Forward foreign exchange: 6,201,483.48
Options:
Futures:
Swaps: 27,585,196.02

b) Identity of the counterparty(ies) to efficient portfolio management techniques and derivative financial instruments

Efficient management techniques	**Derivative financial instruments (*)**
CACIB NATIXIS	BARCLAYS BANK IRELAND PLC CACEIS BANK, LUXEMBOURG BRANCH CITIGROUP GLOBAL MARKETS DEUTSCHLAND AG J.P.MORGAN AG UBS FRANCFORT BNP PARIBAS NOMURA FINANCIALS PRODUCT SOCIETE GENERALE

(*) Apart from listed derivatives.

c) Financial collateral received by the UCITS in order to reduce the counterparty risk

Types of instruments	**Amount in the portfolio currency**
Efficient management techniques	
Term deposits	
Equities	
Bonds	
UCITS	
Cash (*)	
Total	
Derivative financial instruments	
Term deposits	
Equities	
Bonds	
UCITS	
Cash	
Total	

(*) The Cash account also includes cash resulting from repurchase transactions.

d) **Income and operational charges relating to efficient management techniques**

Income and operational charges	Amount in the portfolio currency
Income (**)	2 210 424,04
Miscellaneous income	
Total income	**2 210 424,04**
Direct operational charges	
Indirect operational charges	
Other charges	
Total charges	

(**) Income from lending and reverse repurchases.

Broker and counterparty selection and evaluation procedure

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.

Report on intermediary fees

We refer to the report issued by the management company in accordance with article 314-82 of the general regulations of the Autorité des Marchés Financiers. This report is available from the management company's web site www.candriam.com

Portfolio turnover rate

The portfolio turnover rate over the year 2023 was -12.77%.

Voting policy

We refer to the report issued by the management company in accordance with the general regulations of the Autorité des Marchés Financiers.
This report is available for a period of four months following the end of the management company's financial year (end of December).

Additional information about the investment strategy of the fund – Shareholder Rights Directive (SRD II) [(1)]

In accordance with the transparency requirements set up by the European Shareholder Rights Directive and the annual communication rules applicable to institutional investors, you are able to obtain additional information about the investment strategy applied by Candriam and how the strategy contributes to the medium to long-term performance of the fund.
You can send your request to the following address: https://www.candriam.fr/contact/
Our engagement policy is available on our website at the following address https://www.candriam.fr/
[(1)] Directive (EU) 2017/828 of the European Parliament and of the Council amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement.

Financial instruments held in the portfolio and issued by the service provider or a group entity

There is table of financial instruments managed by the management company or an associated company in the appendices of the UCI's annual accounts.

Method for calculating total risk
The calculation method used is the absolute VaR.
Maximum daily VaR: 5.56%
Minimum daily VaR: 1.89%
Average daily VaR: 3.58%

Other information
The full prospectus of the UCITS and the latest annual and interim reports will be sent out if requested in writing by the holder within a week by:

CANDRIAM
SERENITY – Bloc B
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contact: https://www.candriam.fr/contact/

Information relating to the remuneration policy

Directive 2014/91/EU amending Directive 2009/65/EC on undertakings for collective investment in transferable securities, which is applicable to the FCP, came into force on 18 March 2016. It was transposed into national law by the Luxembourg law of 10 May 2016 transposing Directive 2014/91/EU. Under the new arrangements, the FCP is required to publish in its annual report information about the remuneration of the employees identified by the law.

Candriam holds a double licence: as a management company in accordance with article 15 of the law of 17 December 2010 relating to undertakings for collective investment; and as an alternative investment fund manager in accordance with the law of 12 July 2013 on alternative investment fund managers. The responsibilities of Candriam under these two laws are quite similar and Candriam considers that its personnel is remunerated in the same way for tasks relating to the administration of UCITS and alternative investment funds.

During the financial year ended 31 December 2023, Candriam paid the following amounts to its personnel: Gross total amount of fixed remuneration paid (excluding payments or benefits which may be regarded as forming part of a general and non-discretionary policy and having no incentive effect on risk management): EUR 17,425,254.
Gross total amount of variable remuneration paid: EUR 6,348,617.
Number of beneficiaries: 146

Aggregate amount of remuneration, broken down by senior managers and members of the investment management personnel whose activities have a significant impact on the fund's risk profile. Candriam's systems do not allow identification of this kind for each managed fund. The figures below also present the aggregate amount of global remuneration in Candriam.
Aggregate amount of remuneration of senior management: EUR 5,155,684.
Aggregate amount of remuneration of Candriam personnel whose activities have a significant impact on the risk profile of the funds of which it is the management company (excluding senior managers): EUR 2,015,066.
Remuneration paid by Candriam to personnel in its branch in Belgium (i.e. Candriam – Belgian Branch) acting as financial managers, in the financial year ended 31 December 2023:
Gross total amount of fixed remuneration paid (excluding payments or benefits which may be regarded as forming part of a general and non-discretionary policy and having no incentive effect on risk management): EUR 25,071,403.

Gross total amount of variable remuneration paid: EUR 8,188,525.
Number of beneficiaries: 245.

Aggregate amount of remuneration, broken down by senior managers and members of the delegated financial management personnel whose activities have a significant impact on the fund's risk profile. The delegated financial manager's systems do not allow identification of this kind for each managed fund. The figures below also indicate the aggregate amount of global remuneration at the level of the delegated financial manager.
Aggregate amount of remuneration of senior management: EUR 6,214,566.
Aggregate amount of remuneration of the members of the delegated financial management personnel whose activities have a significant impact on the risk profile of the funds of which it is the delegated financial manager (excluding senior managers): EUR 4,602,623.

Remuneration paid by Candriam to personnel in its branch in France (i.e. Candriam – Succursale française) acting as financial managers, in the financial year ended 31 December 2023:
Gross total amount of fixed remuneration paid (excluding payments or benefits which may be regarded as forming part of a general and non-discretionary policy and having no incentive effect on risk management): EUR 19,094,936.
Gross total amount of variable remuneration paid: EUR 6,255,350.
Number of beneficiaries: 202.

Aggregate amount of remuneration, broken down by senior managers and members of the delegated financial management personnel whose activities have a significant impact on the fund's risk profile. The delegated financial manager's systems do not allow identification of this kind for each managed fund. The figures below also indicate the aggregate amount of global remuneration at the level of the delegated financial manager.
Aggregate amount of remuneration of senior management: EUR 4,298,365.
Aggregate amount of remuneration of the members of the delegated financial management personnel whose activities have a significant impact on the risk profile of the funds of which it is the delegated financial manager (excluding senior managers): EUR 3,422,966.

The remuneration policy was most recently revised by the remuneration committee of Candriam on 02/02/2024, and was adopted by the Board of Directors of Candriam.

CANDRIAM RISK ARBITRAGE

AUDITORS' REPORT ON THE ANNUAL ACCOUNTS
Financial year ended 29 December 2023

AUDITORS' REPORT ON THE ANNUAL ACCOUNTS
Financial year ended 29 December 2023

CANDRIAM RISK ARBITRAGE
UCITS FORMED AS A FONDS COMMUN DE PLACEMENT (MUTUAL FUND)
Regulated by the Code Monétaire et Financier

Management company
CANDRIAM INVESTORS GROUP
WASHINGTON PLAZA - 40, rue Washington
75008 PARIS CEDEX 08

Opinion

In carrying out the mandate entrusted to us by the management company, we carried out our audit of the annual accounts of the UCITS in the form of a *fonds commun de placement* (FCP) CANDRIAM RISK ARBITRAGE for the financial year ended 29 December 2023, as appended to this report.

We certify that the annual financial statements are, in conformity with French accounting rules and principles, accurate and consistent, and give a true and fair view of the financial performance of the previous financial year as well as the financial situation and assets of the UCITS, in the form of a fonds commun de placement, at the end of this financial year.

Basis of the opinion

Audit criteria

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. The responsibilities imposed upon us by these standards are set out in the section entitled *"Responsibilities of the auditors in the auditing of the annual accounts"* in this report.

Independence

We conducted our audit mandate in accordance with the rules of independence set out in the French Commercial Code and the Code of Ethics for Statutory Auditors, for the period 31/12/2022 to the date of issue of our report.

Justification of our appraisals

In application of the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our appraisals, we hereby inform you that the appraisals which, in our professional opinion, were the most significant for the audit of the year's annual accounts, covered the appropriateness of the accounting principles applied, the reasonableness of the significant estimates made, and the overall presentation of the accounts.

These appraisals formed part of our audit of the annual accounts as a whole, and contributed to our opinion expressed above. We do not express an opinion on items in the annual accounts taken in isolation.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by statutory and regulatory texts.

We have no observations to make on the fairness and consistency with the annual accounts of the information given in the management report prepared by the management company.

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Responsibilities of the management company relating to the annual accounts

It is the responsibility of the management company to prepare annual accounts giving a true and fair view in accordance with French accounting rules and principles, and to implement the internal controls it considers necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

When preparing the annual accounts, it is the management company's responsibility to assess the fund's ability to continue as a going concern, to present in these accounts, where applicable, the necessary information relating to its viability as a going concern, and to apply the going concern accounting policy unless it intends to wind up the fund or to cease trading.

The annual accounts have been prepared by the management company.

Responsibilities of the auditors in the auditing of the annual accounts

Audit objective and approach

It is our responsibility to draft a report on the annual accounts. Our aim is to obtain reasonable assurance that the annual accounts taken as a whole do not contain any material misstatement. Reasonable assurance corresponds to a high level of assurance, but does not guarantee that an audit performed in accordance with the standards of professional practice can systematically detect any material misstatement. Misstatements may arise from fraud or error and are considered material where it can reasonably be expected that, taken individually or together, they may influence the economic decisions made by account users based thereon.

As specified by Article L.823-10-1 of the French Commercial Code, our mandate is to certify the accounts, not to guarantee the viability or the quality of the management of the fund.

Where an is audit conducted in accordance with the professional standards applicable in France, the statutory auditor exercises its professional judgement throughout this audit. In addition,

- it identifies and assesses the risks that the annual accounts may contain material misstatement (whether due to fraud or error), sets out and implements the audit procedures intended to counter these risks, and collates the items that it deems sufficient and appropriate to justify its opinion. The risk of non-detection of a material misstatement due to fraud is higher than that of a material misstatement due to an error, since fraud may involve collusion, forgery, voluntary omissions, misrepresentation or the circumvention of internal control processes;

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- it becomes familiar with the internal control processes relevant to the audit so as to set out audit procedures that are appropriate to the circumstances, and not to express an opinion on the effectiveness of the internal control processes;

- it assesses the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as the information provided in their regard in the annual accounts;

- it assesses the appropriateness of the application by the management company of the going concern accounting policy and based on the evidence gathered, whether significant uncertainty exists relating to events or circumstances that may affect the fund's ability to continue as a going concern. This assessment is based on the items collated until the date of its report, on the understanding that subsequent events or circumstances may affect its viability as a going concern. If significant uncertainty is shown to exist, it draws the attention of the readers of its report to the information provided in the annual accounts in respect of said uncertainty or, if this information is not provided or is not relevant, it issues a certification with reserve or a refusal to certify;

- it appraises the overall presentation of the annual accounts, and assesses whether said statements reflect the transactions and underlying events, and thus provide a true and fair view thereof.

In accordance with the law, please note that we were unable to issue this report within the statutory periods because certain documents needed to complete our work were received late.

Neuilly sur Seine, date of the electronic signature

Document authenticated by electronic signature
The Auditors
PricewaterhouseCoopers Audit
Amaury Couplez

2024.04.23 11:24:01 +0200

BALANCE SHEET ASSETS AT 29/12/2023 IN EUR

	29/12/2023	30/12/2022
NET FIXED ASSETS	**0,00**	**0,00**
DEPOSITS	**0,00**	**0,00**
FINANCIAL INSTRUMENTS	**57 341 107,57**	**162 192 145,90**
Equities and equivalent securities	**10 364 403,23**	**34 649 464,16**
Traded on a regulated or equivalent market	10 364 403,23	34 649 464,16
Not traded on a regulated or equivalent market	0,00	0,00
Bonds and equivalent securities	**0,00**	**0,00**
Traded on a regulated or equivalent market	0,00	0,00
Not traded on a regulated or equivalent market	0,00	0,00
Debt securities	**0,00**	**67 161 026,77**
Traded on a regulated or equivalent market	0,00	67 161 026,77
Negotiable debt securities	0,00	67 161 026,77
Other debt securities	0,00	0,00
Not traded on a regulated or equivalent market	0,00	0,00
Undertakings for collective investment	**4 460 106,56**	**11 004 915,25**
General purpose UCITS and AIFs aimed at non-professionals and equivalents in other countries	4 460 106,56	11 004 915,25
Other funds aimed at non-professionals and equivalents in other countries which are Member States of the EU	0,00	0,00
General purpose professional funds and equivalents in other countries which are Member States of the EU and listed securitisation vehicles	0,00	0,00
Other professional investment funds and equivalents in other countries which are Member States of the EU and unlisted securitisation vehicles	0,00	0,00
Other non-European undertakings	0,00	0,00
Temporary securities transactions	**42 199 589,51**	**49 130 241,50**
Receivables representing reverse repurchase agreements	42 199 589,51	0,00
Claims representing securities loaned	0,00	913,00
Securities borrowed	0,00	49 130 241,50
Repurchase agreements	0,00	0,00
Other temporary transactions	0,00	0,00
Forward financial instruments	**317 008,27**	**246 498,22**
Transactions on a regulated or equivalent market	0,00	0,00
Other transactions	317 008,27	246 498,22
Other financial instruments	**0,00**	**0,00**
RECEIVABLES	**10 125 860,91**	**141 108 620,77**
Foreign currency forward exchange transactions	6 201 483,48	86 456 776,94
Other	3 924 377,43	54 651 843,83
CASH AND BANKS	**2 625 673,09**	**8 531 549,56**
Cash	2 625 673,09	8 531 549,56
TOTAL ASSETS	**70 092 641,57**	**311 832 316,23**

BALANCE SHEET LIABILITIES AT 29/12/2023 IN EUR

	29/12/2023	30/12/2022
EQUITY CAPITAL		
Capital	60 874 942,68	171 661 191,61
Earlier undistributed capital gains and losses (a)	0,00	0,00
Retained earnings (a)	0,00	0,00
Net capital gains and losses during financial year (a, b)	-1 187 919,42	2 496 423,95
Profit for the year (a, b)	1 238 499,29	1 664 094,96
TOTAL EQUITY CAPITAL *	**60 925 522,55**	**175 821 710,52**
* Amount representative of net assets		
FINANCIAL INSTRUMENTS	**483 704,91**	**49 299 576,31**
Disposals of financial instruments	0,00	0,00
Temporary securities transactions	14 535,07	49 229 641,44
Debts representing repurchase agreements	0,00	0,00
Debts representing securities borrowed	14 535,07	49 229 641,44
Other temporary transactions	0,00	0,00
Forward financial instruments	469 169,84	69 934,87
Transactions on a regulated or equivalent market	0,00	0,00
Other transactions	469 169,84	69 934,87
DEBTS	**8 683 414,11**	**86 485 299,49**
Foreign currency forward exchange transactions	6 166 919,30	85 675 839,41
Other	2 516 494,81	809 460,08
CASH AND BANKS	**0,00**	**225 729,91**
Current bank lending	0,00	225 729,91
Borrowings	0,00	0,00
TOTAL ASSETS	**70 092 641,57**	**311 832 316,23**

(a) Including adjustment accounts
(b) Less interim dividends paid over the financial year

OFF-BALANCE SHEET AT 29/12/2023 IN EUR

	29/12/2023	30/12/2022
HEDGING TRANSACTIONS		
Commitment on regulated or equivalent markets		
Commitment on OTC market		
Other commitments		
OTHER TRANSACTIONS		
Commitment on regulated or equivalent markets		
Commitment on OTC market		
Contracts for difference		
CFD JPX HOMESER 1230	0,00	1 317 866,98
CFD CGMD EDF 1230d	0,00	8 651 496,00
CFD JPX MEDICLI 1230	0,00	2 371 832,70
BC MICRO FOCU 1230	0,00	1 061 127,03
CFD RITCHIE JPM 1230	0,00	1 132 866,54
CFD DEVRO PLC 1230	0,00	951 989,90
CFD UBS PIONEER 1230	1 820 374,74	0,00
CFD UBS EXXON M 1230	1 880 219,54	0,00
CFD UBS JSR COR 1230	1 233 876,71	0,00
CFD BC STRATASY 1230	400 367,43	0,00
UBS AMEDISYS 1230	1 791 308,52	0,00
CFD UBS OHB SE 1230	35 234,40	0,00
CFD UBS CAPRI H 1230	983 014,86	0,00
CFD UBS AMERICA 1230	980 370,62	0,00
CFD BC SOVOS BR 1230	100 033,93	0,00
CFD BC NETWORK 1230	404 356,49	0,00
CFD JPX NORDIC 1230	580 439,43	0,00
CFD BC NORDIC W 1230	1 822 599,02	0,00
CFD JPX NETWORK 1230	499 540,48	0,00
CFD JPX ORCHARD 1230	173 740,23	0,00
CFD UBS RESTAUR 1230	950 575,21	0,00
CFD UBS TEXTAIN 1230	1 612 667,90	0,00
CFD JPX HESS CO 1230	1 350 052,23	0,00
CFD UBS SP PLUS 1230	1 293 533,02	0,00
CFD JPX RPT REA 1230	267 877,72	0,00
CFD JPX KIMCO R 1230	268 147,38	0,00
1230	1 376 404,74	0,00
CFD BC ADEVINTA 1230	1 025 822,20	0,00
CFD CGMD IMMUNO 1230	958 790,25	0,00
CFD JPX ROVER G 1230	460 886,91	0,00
CFD UBS BROOKFI 1230	350 807,94	0,00
CFD UBS SMART M 1230	784 488,60	0,00
CFD UBS KARUNA 1230	609 725,51	0,00
JP CVX USD 1230	1 431 309,46	0,00
CFD UBS COLUMBI 1230	0,00	1 681 323,17
UBS OHB0 EUR 1230	681 131,63	0,00
CFD JPM DISH US 1230	1 457 498,92	0,00

OFF-BALANCE SHEET AT 29/12/2023 IN EUR

	29/12/2023	30/12/2022
Other commitments		

INCOME STATEMENT AT 29/12/2023 IN EUR

	29/12/2023	30/12/2022
Income on financial transactions		
Income on deposits and cash and banks	-275 104,42	107 893,47
Income on equities and equivalent securities	213 213,64	6 540 322,01
Income on bonds and equivalent securities	0,00	0,00
Income on debt securities	164 694,03	237 213,48
Income on temporary purchases and sales of securities	2 217 392,62	806 473,47
Income on forward financial instruments	0,00	0,00
Other financial income	0,00	0,00
TOTAL (1)	**2 320 195,87**	**7 691 902,43**
Charges on financial transactions		
Charges on temporary purchases and sales of securities	6 216,23	711 918,87
Charges on forward financial instruments	0,00	0,00
Charges on financial debts	2 895,24	220 602,34
Other financial charges	0,00	0,00
TOTAL (2)	**9 111,47**	**932 521,21**
PROFIT/LOSS ON FINANCIAL TRANSACTIONS (1 - 2)	**2 311 084,40**	**6 759 381,22**
Other income (3)	0,00	0,00
Management fees and depreciation charges (4)	602 314,48	2 159 163,17
NET PROFIT/LOSS FOR THE FINANCIAL YEAR (L. 214-17-1) (1 - 2 + 3 - 4)	**1 708 769,92**	**4 600 218,05**
Revenue adjustment for the financial year (5)	-470 270,63	-2 936 123,09
Advance payments on profit for the financial year (6)	0,00	0,00
NET PROFIT/LOSS (1 - 2 + 3 - 4 + 5 - 6)	**1 238 499,29**	**1 664 094,96**

The research costs are included under "Management fees and depreciation charges".

APPENDICES TO THE ANNUAL ACCOUNTS

1. Accounting rules and methods

The annual accounts are submitted in the form stipulated in Regulation ANC 2014-01, as amended. General

accounting principles are applicable:
- true and fair view, comparability, going concern,
- accuracy, reliability,
- prudence,
- consistency of accounting methods from one financial year to the next.

The accounting method for recording proceeds from fixed-income securities is the interest accrued method.

Entries and sales of securities are accounted exclusive of fees.
The reference currency for portfolio accounting is the euro.
The financial year is 12 months.

Asset valuation rules

Equities, warrants and rights
Equities are valued at the closing price on the various stock exchanges on the reference date.
The fund is invested in two lines of contingent value rights making up 0.00% of the assets on 29 December 2023. CVRs are rights granted during a transaction involving unlisted securities, with repayment depending on specific conditions defined by the acquirer of the target company.

In the absence of a market price, the management company has kept the price of these lines at 0 since they entered the portfolio. The value of these securities is uncertain as it depends on whether the conditions defined when the rights were granted are met.

A difference may therefore exist between the values applied, valued as indicated above, and the price at which the disposals would actually take place if a part of these assets in the portfolio had to be liquidated.

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
These financial instruments are valued at the closing prices set by the CCPs on the reference date.

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, interest 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.

Vanilla swaps
Uncleared vanilla swaps are calculated based on models validated by the Management Company, using market data such as the interest rate curve, etc., available from specialised data providers.

Equity swaps
Equity swaps are valued on the basis of the closing price of the underlying.

Other OTC derivatives
Uncleared 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
Borrowed financial securities are recorded in the assets of the balance sheet under "Financial securities borrowed" with their current value, and the debt representing the obligation to return the security is recorded in the liabilities of the balance sheet with the same value under "Debts representing securities borrowed".
Repurchase agreements, reverse repurchase agreements and securities borrowing/lending are valued at cost plus interest. For contracts exceeding three months, the credit spread of the counterparty may be revalued.

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

Off-balance sheet items:
The off-balance sheet commitment relating to interest rate swaps corresponds to the nominal contract value.
The off-balance sheet commitment on French and foreign futures markets is calculated based on the regulations in force:
- Futures: quantity by nominal amount by trading price in the contract currency.
- Options: quantity by delta by unit of trading by price of the underlying in the contract currency.

The off-balance sheet commitment in equity swaps is calculated in accordance with applicable procedures: amount per underlying price in each currency.

Management fees

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 fees, 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: Maximum 0.80% N units: maximum 1.20% * U units: Maximum 0.60% R units: Maximum 0.70% R2 units: Maximum 0.35% RS units: Maximum 0.40% Z units: Maximum 0.25% O units: 0.60% maximum I and I in USD units: 0.60% maximum I2 units: Maximum 0.80%
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	20% of performance above the capitalised €STR consisting of a high water mark and a hurdle (see below) for all units except O units and I2 units for which there is no outperformance fee 20% of performance above the capitalised EFFR consisting of a high water mark and a hurdle (see below) for the I in USD units

**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. A provision is made for them at each NAV on the basis of an annual budget (EUR 262,576 in 2023).
Not included in the categories of fees set out above:
- contributions owed for management of the UCITS pursuant to d), 3°, II of article L. 621-5-3 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).

Information about these costs is subsequently also set out in the annual report of the UCITS.

Outperformance fee:
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.

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 unit 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, is greater than the two components of the reference indicator (HWM and hurdle), this constitutes an outperformance.

The smaller of these 2 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 2 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 unit categories with distribution rights, any distributions of dividends will have no effect on the outperformance fee of the unit category.

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

Allocation of distributable income

Definition of distributable income

The distributable income consists of:

Profit:

The net income plus retained earnings, plus or minus the revenue adjustment balance. The net income for the financial year is equal to the amount of interest, arrears, dividends, premiums and prizes, remuneration and all proceeds generated by the securities held in the portfolio of the UCI, plus income generated by temporary cash holdings, less management charges and borrowing costs.

Capital gains and losses:

The realised capital gains, net of costs, less any realised capital losses, net of charges, recorded during the financial year, plus any net capital gains of the same nature recognised over previous financial years which were not distributed or capitalised, plus or minus the capital gains adjustment account.
Methods for allocation of distributable amounts:

Unit(s)	***Allocation of net profit***	***Allocation of net realised capital gains or losses***
CANDRIAM RISK ARBITRAGE C units	Capitalisation	Capitalisation
CANDRIAM RISK ARBITRAGE I units	Capitalisation	Capitalisation
CANDRIAM RISK ARBITRAGE I2 units	Capitalisation	Capitalisation
CANDRIAM RISK ARBITRAGE N units	Capitalisation	Capitalisation
CANDRIAM RISK ARBITRAGE R units	Capitalisation	Capitalisation
CANDRIAM RISK ARBITRAGE R2 units	Capitalisation	Capitalisation
CANDRIAM RISK ARBITRAGE Z units	Capitalisation	Capitalisation

2. CHANGES IN NET ASSETS AT 29/12/2023 in EUR

	29/12/2023	30/12/2022
NET ASSETS AT THE START OF THE FINANCIAL YEAR	**175 821 710,52**	**700 843 354,43**
Subscriptions (including subscription fees paid to the UCI)	22 344 640,30	129 908 411,47
Redemptions (excluding redemption fees paid to the UCI)	-137 653 024,57	-644 104 806,29
Capital gains realised on deposits and financial instruments	1 567 028,16	52 406 840,21
Capital losses realised on deposits and financial instruments	-3 499 472,08	-55 160 943,19
Capital gains realised on forward financial instruments	8 714 872,56	58 779 224,39
Capital losses realised on forward financial instruments	-6 276 770,61	-71 932 175,09
Transaction fees	-677 767,10	-382 629,51
Exchange differences	-1 365 087,78	21 164 994,25
Changes in valuation difference of deposits and financial instruments	569 348,15	-22 524 299,32
Valuation difference financial year N	*361 022,93*	*-208 325,22*
Valuation difference financial year N-1	*208 325,22*	*-22 315 974,10*
Changes in valuation difference of forward financial instruments	-328 724,92	2 223 521,12
Valuation difference financial year N	*-152 161,57*	*176 563,35*
Valuation difference financial year N-1	*-176 563,35*	*2 046 957,77*
Distribution in previous year of net capital gains and losses	0,00	0,00
Distribution in the previous financial year from profit	0,00	0,00
Net profit/loss for the financial year before adjustment account	1 708 769,92	4 600 218,05
Interim payment(s) during the financial year from net capital gains and losses	0,00	0,00
Interim payment(s) during the financial year from profit	0,00	0,00
Other components	0,00	0,00
NET ASSETS AT THE END OF THE FINANCIAL YEAR	**60 925 522,55**	**175 821 710,52**

3. ADDITIONAL INFORMATION

3.1. BREAKDOWN BY LEGAL OR ECONOMIC TYPE OF THE FINANCIAL INSTRUMENTS

	Amount	%
ASSETS		
BONDS AND EQUIVALENT SECURITIES		
TOTAL BONDS AND EQUIVALENT SECURITIES	**0,00**	**0,00**
DEBT SECURITIES		
TOTAL DEBT SECURITIES	**0,00**	**0,00**
LIABILITIES		
DISPOSALS OF FINANCIAL INSTRUMENTS		
TOTAL DISPOSALS OF FINANCIAL INSTRUMENTS	**0,00**	**0,00**
OFF-BALANCE SHEET		
HEDGING TRANSACTIONS		
TOTAL HEDGING TRANSACTIONS	**0,00**	**0,00**
OTHER TRANSACTIONS		
Equities	27 585 196,02	45,28
TOTAL OTHER TRANSACTIONS	**27 585 196,02**	**45,28**

3.2. BREAKDOWN BY TYPE OF RATE OF ASSETS, LIABILITIES AND OFF-BALANCE SHEET ITEMS

	Fixed rate	%	Variable rate	%	Revisable rate	%	Other	%
ASSETS								
Deposits	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Bonds and equivalent securities	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Debt securities	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Temporary securities transactions	0,00	0,00	42 199 589,51	69,26	0,00	0,00	0,00	0,00
Cash and banks	0,00	0,00	0,00	0,00	0,00	0,00	2 625 673,09	4,31
LIABILITIES								
Temporary securities transactions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Cash and banks	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
OFF-BALANCE SHEET								
Hedging transactions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Other transactions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00

3.3. BREAKDOWN BY RESIDUAL MATURITY OF ASSETS, LIABILITIES AND OFF-BALANCE SHEET ITEMS(*)

	< 3 months	%	]3 months - 1 year]	%	]1 - 3 years]	%	]3 - 5 years]	%	> 5 years	%
ASSETS										
Deposits	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Bonds and equivalent securities	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Debt securities	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Temporary securities transactions	42 199 589,51	69,26	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Cash and banks	2 625 673,09	4,31	0,00	0,00	0,00	0,00	0,00	4,31	0,00	0,00
LIABILITIES										
Temporary securities transactions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Cash and banks	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
OFF-BALANCE SHEET										
Hedging transactions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Other transactions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00

(*) Forward interest rate positions are presented according to the maturity of the underlying.

3.4. BREAKDOWN BY LISTING OR VALUATION CURRENCY OF ASSETS, LIABILITIES AND OFF-BALANCE SHEET ITEMS (NON-EUR)

	Currency 1 USD		Currency 2 GBP		Currency 3 SEK		Currency N Other(s)	
	Amount	%	Amount	%	Amount	%	Amount	%
ASSETS								
Deposits	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Equities and equivalent securities	1 642 922,37	2,70	0,00	0,00	0,00	0,00	0,00	0,00
Bonds and equivalent securities	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Debt securities	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
UCI	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Temporary securities transactions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Receivables	1 418 779,47	2,33	0,00	0,00	0,00	0,00	0,00	0,00
Cash and banks	141 801,96	0,23	113 964,04	0,19	24 801,80	0,04	126 958,71	0,21
LIABILITIES								
Disposals of financial instruments	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Temporary securities transactions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Debts	4 624 928,15	7,59	115 407,47	0,19	0,00	0,00	0,00	0,00
Cash and banks	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
OFF-BALANCE SHEET								
Hedging transactions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Other transactions	19 567 131,85	32,12	2 638 960,78	4,33	2 403 038,45	3,94	2 259 698,91	3,71

3.5. RECEIVABLES AND DEBTS: BREAKDOWN BY TYPE

	Type of debit/credit	29/12/2023
RECEIVABLES		
	Forward currency purchases	1 384 265,37
	Funds receivable on forward currency sales	4 817 218,11
	Deferred settlement sales	268 278,43
	Collateral	3 656 099,00
TOTAL RECEIVABLES		**10 125 860,91**
DEBTS		
	Forward sale of foreign currencies	4 738 726,06
	Funds payable on forward currency purchases	1 428 193,24
	Deferred settlement purchases	2 207 161,82
	Redemptions payable	250 740,38
	Fixed management fee	17 380,61
	Other debts	41 212,00
TOTAL DEBTS		**8 683 414,11**
TOTAL DEBTS AND RECEIVABLES		**1 442 446,80**

3.6. EQUITY CAPITAL

3.6.1. Number of securities issued or redeemed

	In units	As an amount
CANDRIAM RISK ARBITRAGE C units		
Units subscribed during the year	324,941	799 449,03
Units redeemed during the year	-9 573,796	-23 564 834,04
Net balance of subscriptions/redemptions	-9 248,855	-22 765 385,01
Number of units in circulation at the end of the year	6 308,502	
CANDRIAM RISK ARBITRAGE I units		
Units subscribed during the year	332,454	491 666,21
Units redeemed during the year	-35 166,078	-52 158 547,54
Net balance of subscriptions/redemptions	-34 833,624	-51 666 881,33
Number of units in circulation at the end of the year	11 717,381	
CANDRIAM RISK ARBITRAGE I2 units		
Units subscribed during the year	0,00	0,00
Units redeemed during the year	-330,801	-483 786,54
Net balance of subscriptions/redemptions	-330,801	-483 786,54
Number of units in circulation at the end of the year	1,000	
CANDRIAM RISK ARBITRAGE N units		
Units subscribed during the year	0,00	0,00
Units redeemed during the year	-0,562	-534,65
Net balance of subscriptions/redemptions	-0,562	-534,65
Number of units in circulation at the end of the year	1,796	
CANDRIAM RISK ARBITRAGE O units		
Units subscribed during the year	62,184	92 616,10
Units redeemed during the year	-26 047,995	-38 988 847,72
Net balance of subscriptions/redemptions	-25 985,811	-38 896 231,62
Number of units in circulation at the end of the year	0,00	
CANDRIAM RISK ARBITRAGE R units		
Units subscribed during the year	1,662	247,80
Units redeemed during the year	-14 974,994	-2 217 383,03
Net balance of subscriptions/redemptions	-14 973,332	-2 217 135,23
Number of units in circulation at the end of the year	10 341,729	
CANDRIAM RISK ARBITRAGE R2 units		
Units subscribed during the year	3 330,205	496 162,11
Units redeemed during the year	-112 750,085	-16 734 114,35
Net balance of subscriptions/redemptions	-109 419,880	-16 237 952,24
Number of units in circulation at the end of the year	5 808,336	
CANDRIAM RISK ARBITRAGE Z units		
Units subscribed during the year	13 897,000	20 464 499,05
Units redeemed during the year	-2 369,179	-3 504 976,70
Net balance of subscriptions/redemptions	11 527,821	16 959 522,35
Number of units in circulation at the end of the year	16 457,000	

3.6.2. Subscription and/or redemption fees

	As an amount
CANDRIAM RISK ARBITRAGE C units	
Total subscription and redemption fees paid	0,00
Subscription fees paid	0,00
Redemption fees paid	0,00
CANDRIAM RISK ARBITRAGE I units	
Total subscription and redemption fees paid	0,00
Subscription fees paid	0,00
Redemption fees paid	0,00
CANDRIAM RISK ARBITRAGE I2 units	
Total subscription and redemption fees paid	0,00
Subscription fees paid	0,00
Redemption fees paid	0,00
CANDRIAM RISK ARBITRAGE N units	
Total subscription and redemption fees paid	0,00
Subscription fees paid	0,00
Redemption fees paid	0,00
CANDRIAM RISK ARBITRAGE O units	
Total subscription and redemption fees paid	0,00
Subscription fees paid	0,00
Redemption fees paid	0,00
CANDRIAM RISK ARBITRAGE R units	
Total subscription and redemption fees paid	0,00
Subscription fees paid	0,00
Redemption fees paid	0,00
CANDRIAM RISK ARBITRAGE R2 units	
Total subscription and redemption fees paid	0,00
Subscription fees paid	0,00
Redemption fees paid	0,00
CANDRIAM RISK ARBITRAGE Z units	
Total subscription and redemption fees paid	0,00
Subscription fees paid	0,00
Redemption fees paid	0,00

3.7. MANAGEMENT FEES

	29/12/2023
CANDRIAM RISK ARBITRAGE C units	
Collateral fees	0,00
Fixed management fees	129 995,62
Percentage of fixed management fees	0,60
Provision for variable management fees	0,00
Percentage provision for variable management fees	0,00
Variable management fees paid	0,00
Percentage variable management fees paid	0,00
Management fee retrocessions	0,00
CANDRIAM RISK ARBITRAGE I units	
Collateral fees	0,00
Fixed management fees	125 434,01
Percentage of fixed management fees	0,40
Provision for variable management fees	0,00
Percentage provision for variable management fees	0,00
Variable management fees paid	0,00
Percentage variable management fees paid	0,00
Management fee retrocessions	0,00
CANDRIAM RISK ARBITRAGE I2 units	
Collateral fees	0,00
Fixed management fees	769,20
Percentage of fixed management fees	0,70
Provision for variable management fees	0,00
Percentage provision for variable management fees	0,00
Variable management fees paid	0,00
Percentage variable management fees paid	0,00
Management fee retrocessions	0,00
CANDRIAM RISK ARBITRAGE N units	
Collateral fees	0,00
Fixed management fees	21,97
Percentage of fixed management fees	1,22
Provision for variable management fees	0,00
Percentage provision for variable management fees	0,00
Variable management fees paid	0,00
Percentage variable management fees paid	0,00
Management fee retrocessions	0,00

3.7. MANAGEMENT FEES

	29/12/2023
CANDRIAM RISK ARBITRAGE O units	
Collateral fees	0,00
Fixed management fees	28 649,70
Percentage of fixed management fees	0,38
Provision for variable management fees	0,00
Percentage provision for variable management fees	0,00
Variable management fees paid	0,00
Percentage variable management fees paid	0,00
Management fee retrocessions	0,00
CANDRIAM RISK ARBITRAGE R units	
Collateral fees	0,00
Fixed management fees	7 801,63
Percentage of fixed management fees	0,40
Provision for variable management fees	0,00
Percentage provision for variable management fees	0,00
Variable management fees paid	0,00
Percentage variable management fees paid	0,00
Management fee retrocessions	0,00
CANDRIAM RISK ARBITRAGE R2 units	
Collateral fees	0,00
Fixed management fees	13 670,24
Percentage of fixed management fees	0,33
Provision for variable management fees	0,00
Percentage provision for variable management fees	0,00
Variable management fees paid	0,00
Percentage variable management fees paid	0,00
Management fee retrocessions	0,00
CANDRIAM RISK ARBITRAGE Z units	
Collateral fees	0,00
Fixed management fees	33 395,57
Percentage of fixed management fees	0,15
Provision for variable management fees	0,00
Percentage provision for variable management fees	0,00
Variable management fees paid	0,00
Percentage variable management fees paid	0,00
Management fee retrocessions	0,00

3.8. COMMITMENTS RECEIVED AND GIVEN

3.8.1. Collateral received by the UCI:

None

3.8.2. Other commitments given and/or received:

None

3.9. OTHER INFORMATION

3.9.1. Current value of financial instruments coming under a temporary purchase

	29/12/2023
Reverse repurchase transactions	43 423 203,22
Securities borrowed	0,00

3.9.2. Actual value of financial instruments constituting collateral

	29/12/2023
Financial instruments provided as collateral and kept in their original category	0,00
Financial instruments received as collateral and not recognised in the balance sheet	0,00

3.9.3. Financial instruments held, issued or managed by the group

	ISIN code	Title	29/12/2023
Equities			0,00
Bonds			0,00
Negotiable debt securities			0,00
UCI			4 460 106,56
	FR0013248390	CANDRIAM MONETAIRE SICAV Z units	4 460 106,56
Forward financial instruments			0,00
Total securities of the group			**4 460 106,56**

3.10. ALLOCATION OF DISTRIBUTABLE INCOME

Allocation of the portion of distributable income from profit

	29/12/2023	30/12/2022
Amounts to be allocated		
Retained earnings	0,00	0,00
Profit/loss	1 238 499,29	1 664 094,96
Advance payments on profit/loss for the year	0,00	0,00
Total	**1 238 499,29**	**1 664 094,96**

	29/12/2023	30/12/2022
CANDRIAM RISK ARBITRAGE C units		
Allocation		
Distribution	0,00	0,00
Retained earnings for the financial year	0,00	0,00
Capitalisation	283 268,52	295 370,70
Total	**283 268,52**	**295 370,70**

	29/12/2023	30/12/2022
CANDRIAM RISK ARBITRAGE I units		
Allocation		
Distribution	0,00	0,00
Retained earnings for the financial year	0,00	0,00
Capitalisation	352 908,45	674 244,94
Total	**352 908,45**	**674 244,94**

	29/12/2023	30/12/2022
CANDRIAM RISK ARBITRAGE I2 units		
Allocation		
Distribution	0,00	0,00
Retained earnings for the financial year	0,00	0,00
Capitalisation	25,28	3 295,43
Total	**25,28**	**3 295,43**

	29/12/2023	30/12/2022
CANDRIAM RISK ARBITRAGE N units		
Allocation		
Distribution	0,00	0,00
Retained earnings for the financial year	0,00	0,00
Capitalisation	20,58	3,47
Total	**20,58**	**3,47**

	29/12/2023	30/12/2022
CANDRIAM RISK ARBITRAGE O units		
Allocation		
Distribution	0,00	0,00
Retained earnings for the financial year	0,00	0,00
Capitalisation	0,00	387 108,65
Total	**0,00**	**387 108,65**

	29/12/2023	30/12/2022
CANDRIAM RISK ARBITRAGE R units		
Allocation		
Distribution	0,00	0,00
Retained earnings for the financial year	0,00	0,00
Capitalisation	31 101,10	36 644,88
Total	**31 101,10**	**36 644,88**

	29/12/2023	30/12/2022
CANDRIAM RISK ARBITRAGE R2 units		
Allocation		
Distribution	0,00	0,00
Retained earnings for the financial year	0,00	0,00
Capitalisation	18 119,92	179 106,42
Total	**18 119,92**	**179 106,42**

	29/12/2023	30/12/2022
CANDRIAM RISK ARBITRAGE Z units		
Allocation		
Distribution	0,00	0,00
Retained earnings for the financial year	0,00	0,00
Capitalisation	553 055,44	89 237,60
Total	**553 055,44**	**89 237,60**

Allocation of the portion of distributable income from net capital gains and losses

	29/12/2023	30/12/2022
Amounts to be allocated		
Earlier undistributed capital gains and losses	0,00	0,00
Net capital gains and losses during financial year	-1 187 919,42	2 496 423,95
Advance payments on net capital gains and losses for the financial year	0,00	0,00
Total	**-1 187 919,42**	**2 496 423,95**

	29/12/2023	30/12/2022
CANDRIAM RISK ARBITRAGE C units		
Allocation		
Distribution	0,00	0,00
Undistributed net capital gains and losses	0,00	0,00
Capitalisation	-309 247,50	547 722,13
Total	**-309 247,50**	**547 722,13**

	29/12/2023	30/12/2022
CANDRIAM RISK ARBITRAGE I units		
Allocation		
Distribution	0,00	0,00
Undistributed net capital gains and losses	0,00	0,00
Capitalisation	-347 042,30	986 281,97
Total	**-347 042,30**	**986 281,97**

	29/12/2023	30/12/2022
CANDRIAM RISK ARBITRAGE I2 units		
Allocation		
Distribution	0,00	0,00
Undistributed net capital gains and losses	0,00	0,00
Capitalisation	-29,32	7 031,12
Total	**-29,32**	**7 031,12**

	29/12/2023	30/12/2022
CANDRIAM RISK ARBITRAGE N units		
Allocation		
Distribution	0,00	0,00
Undistributed net capital gains and losses	0,00	0,00
Capitalisation	-33,78	32,52
Total	**-33,78**	**32,52**

	29/12/2023	30/12/2022
CANDRIAM RISK ARBITRAGE O units		
Allocation		
Distribution	0,00	0,00
Undistributed net capital gains and losses	0,00	0,00
Capitalisation	0,00	554 591,77
Total	**0,00**	**554 591,77**

	29/12/2023	30/12/2022
CANDRIAM RISK ARBITRAGE R units		
Allocation		
Distribution	0,00	0,00
Undistributed net capital gains and losses	0,00	0,00
Capitalisation	-30 584,25	53 552,47
Total	**-30 584,25**	**53 552,47**

	29/12/2023	30/12/2022
CANDRIAM RISK ARBITRAGE R2 units		
Allocation		
Distribution	0,00	0,00
Undistributed net capital gains and losses	0,00	0,00
Capitalisation	-17 220,04	244 053,44
Total	**-17 220,04**	**244 053,44**

	29/12/2023	30/12/2022
CANDRIAM RISK ARBITRAGE Z units		
Allocation		
Distribution	0,00	0,00
Undistributed net capital gains and losses	0,00	0,00
Capitalisation	-483 762,23	103 159,29
Total	**-483 762,23**	**103 159,29**

3.11. TABLE OF PROFIT/LOSS AND OTHER CHARACTERISTIC ELEMENTS OF THE ENTITY OVER THE LAST FIVE FINANCIAL YEARS

	30/12/2019	30/12/2020	31/12/2021	30/12/2022	29/12/2023
Total net assets in EUR	**800 784 230,55**	**735 431 398,28**	**700 843 354,43**	**175 821 710,52**	**60 925 522,55**
CANDRIAM RISK ARBITRAGE C units in EUR					
Net assets	61 672 652,39	85 441 082,09	105 471 549,95	38 461 237,64	15 826 605,01
Number of securities	24 448,454	34 079,427	41 736,084	15 557,357	6 308,502
Unit net asset value	2 522,55	2 507,11	2 527,10	2 472,22	2 508,77
Per-unit capitalisation from net capital gains and losses	-13,79	-48,74	-120,27	35,20	-49,02
Per-unit capitalisation from profit	-11,18	14,20	77,36	18,98	44,90
CANDRIAM RISK ARBITRAGE I units in EUR					
Net assets	342 848 693,50	290 341 708,54	292 849 847,97	69 512 975,30	17 791 300,27
Number of securities	226 330,745	192 463,451	192 239,161	46 551,005	11 717,381
Unit net asset value	1 514,81	1 508,55	1 523,36	1 493,26	1 518,36
Per-unit capitalisation from net capital gains and losses	-8,28	-29,77	-72,51	21,18	-29,61
Per-unit capitalisation from profit	-4,31	11,47	49,40	14,48	30,11
CANDRIAM RISK ARBITRAGE I2 units in EUR					
Net assets	53 736 082,48	6 082 794,71	5 097 086,51	492 455,96	1 504,50
Number of securities	35 458,526	4 042,369	3 356,369	331,801	1,000
Unit net asset value	1 515,46	1 504,75	1 518,63	1 484,19	1 504,50
Per-unit capitalisation from net capital gains and losses	-8,28	-29,66	-72,25	21,19	-29,32
Per-unit capitalisation from profit	-4,57	7,14	48,43	9,93	25,28
CANDRIAM RISK ARBITRAGE I USD units in USD					
Net assets	0,00	1 978 939,37	859 229,78	0,00	0,00
Number of securities	0,00	1 310,734	560,154	0,00	0,00
Unit net asset value	0,00	1 509,79	1 533,91	0,00	0,00
Per-unit capitalisation from net capital gains and losses	0,00	-101,86	111,53	0,00	0,00
Per-unit capitalisation from profit	0,00	8,09	41,47	0,00	0,00

3.11. TABLE OF PROFIT/LOSS AND OTHER CHARACTERISTIC ELEMENTS OF THE ENTITY OVER THE LAST FIVE FINANCIAL YEARS

	30/12/2019	30/12/2020	31/12/2021	30/12/2022	29/12/2023
CANDRIAM RISK ARBITRAGE N units in EUR					
Net assets	125 070,84	45 407,63	2 315,88	2 251,76	1 729,70
Number of securities	125,961	46,287	2,358	2,358	1,796
Unit net asset value	992,93	981,00	982,13	954,94	963,08
Per-unit capitalisation from net capital gains and losses	-5,42	-19,23	-46,75	13,79	-18,80
Per-unit capitalisation from profit	-9,86	-0,10	19,23	1,47	11,45
CANDRIAM RISK ARBITRAGE O units in EUR					
Net assets	279 944 117,30	214 971 725,20	167 734 141,67	39 053 842,62	0,00
Number of securities	184 186,189	141 989,396	109 425,198	25 985,811	0,00
Unit net asset value	1 519,89	1 513,99	1 532,86	1 502,89	0,00
Per-unit capitalisation from net capital gains and losses	-8,31	-29,89	-72,90	21,34	0,00
Per-unit capitalisation from profit	-0,34	11,93	53,78	14,89	0,00
CANDRIAM RISK ARBITRAGE RS units in EUR					
Net assets	0,00	63 096 129,62	48 468 630,88	0,00	0,00
Number of securities	0,00	41 713,762	31 713,762	0,00	0,00
Unit net asset value	0,00	1 512,59	1 528,31	0,00	0,00
Per-unit capitalisation	0,00			0,00	0,00
from net capital gains and losses	0,00	-3,83	-72,74	0,00	0,00
	0,00			0,00	0,00
Per-unit capitalisation from profit	0,00	9,55	50,42	0,00	0,00
CANDRIAM RISK ARBITRAGE R units in EUR					
Net assets	6 009 719,44	12 833 325,12	55 455 163,39	3 774 546,47	1 567 903,24
Number of securities	39 722,711	85 198,830	364 580,554	25 315,061	10 341,729
Unit net asset value	151,29	150,62	152,10	149,10	151,60
Per-unit capitalisation from net capital gains and losses	-0,44	-2,96	-7,24	2,11	-2,95
Per-unit capitalisation from profit	-0,35	1,10	4,93	1,44	3,00

3.11. TABLE OF PROFIT/LOSS AND OTHER CHARACTERISTIC ELEMENTS OF THE ENTITY OVER THE LAST FIVE FINANCIAL YEARS

	30/12/2019	30/12/2020	31/12/2021	30/12/2022	29/12/2023
CANDRIAM RISK ARBITRAGE R2 units in EUR					
Net assets	5 150 735,21	7 736 593,90	17 095 761,87	17 221 715,09	883 309,29
Number of securities	34 033,981	51 303,976	112 203,603	115 228,216	5 808,336
Unit net asset value	151,34	150,79	152,36	149,45	152,07
Per-unit capitalisation from net capital gains and losses	-0,83	-2,96	-7,25	2,11	-2,96
Per-unit capitalisation from profit	-0,34	1,22	5,02	1,55	3,11
CANDRIAM RISK ARBITRAGE Z units in EUR					
Net assets	51 297 159,39	53 273 803,07	7 913 290,20	7 302 685,68	24 853 170,54
Number of securities	34 348,000	35 755,717	5 248,964	4 929,179	16 457,000
Unit net asset value	1 493,45	1 489,93	1 507,59	1 481,52	1 510,18
Per-unit capitalisation from net capital gains and losses	-8,16	-29,86	-71,74	20,92	-29,39
Per-unit capitalisation from profit	-1,21	13,92	51,90	18,10	33,60

3.12. INVENTORY BREAKDOWN OF FINANCIAL INSTRUMENTS IN EUR

Security name	Currency	Qty No. or nominal	Actual value	% of Net Assets
Equities and equivalent securities				
Equities and equivalent securities traded on a regulated or equivalent market				
GERMANY				
TELEFONICA DEUTSCHLAND HOLDI	EUR	766 016	1 801 669,63	2,96
TOTAL GERMANY			**1 801 669,63**	**2,96**
BELGIUM				
EURONAV	EUR	84 949	1 356 635,53	2,23
INTERVEST OFFICES WAREHOUSES	EUR	58 997	1 221 237,90	2,00
TOTAL BELGIUM			**2 577 873,43**	**4,23**
SPAIN				
APPLUS SERVICES SA	EUR	165 877	1 658 770,00	2,72
TOTAL SPAIN			**1 658 770,00**	**2,72**
UNITED STATES				
ACHILLION PHARMA ORD REG (CONTRA)	USD	621 255	0,00	0,00
ECHOSTAR CORP-A	USD	98 087	1 471 327,20	2,42
GCI LIBERTY INC-ESCROW CODE	USD	274 689	0,00	0,00
IROBOT CORP	USD	4 898	171 595,17	0,28
TOTAL USA			**1 642 922,37**	**2,70**
FINLAND				
MUSTI GROUP OY	EUR	85 127	2 223 517,24	3,65
TOTAL FINLAND			**2 223 517,24**	**3,65**
PORTUGAL				
GREENVOLT-ENERGIAS RENOVAVEI	EUR	56 192	459 650,56	0,75
TOTAL PORTUGAL			**459 650,56**	**0,75**
TOTAL Equities and equivalent securities traded on a regulated or equivalent market			**10 364 403,23**	**17,01**
TOTAL Equities and equivalent securities			**10 364 403,23**	**17,01**
Undertakings for collective investment				
General purpose UCITS and AIFs aimed at non- professionals and equivalents in other countries				
FRANCE				
CANDRIAM MONETAIRE SICAV Z units	EUR	2 912	4 460 106,56	7,32
TOTAL FRANCE			**4 460 106,56**	**7,32**
TOTAL General UCITS and AIFs aimed at non-professionals and equivalents in other countries			**4 460 106,56**	**7,32**
TOTAL Undertakings for collective investment			**4 460 106,56**	**7,32**
Reverse repurchase agreements				
GERMANY				
KFW 0.05% 29-09-34 EMTN	EUR	13 590 000	10 000 000,00	16,41
TOTAL GERMANY			**10 000 000,00**	**16,41**
BELGIUM				
EUROPEAN UNION 0.0% 06-07-26	EUR	2 170 000	2 001 825,00	3,29
EUROPEAN UNION 3.375% 04-10-38	EUR	9 004 000	9 028 953,00	14,82
TOTAL BELGIUM			**11 030 778,00**	**18,11**
FRANCE				
FRANCE GOVERNMENT BOND OAT 0.1% 01-03-25	EUR	3 466 855	3 999 999,99	6,57
TOTAL FRANCE			**3 999 999,99**	**6,57**
LUXEMBOURG				
BANQUE EUROPEAN D INVESTISSEMENT 0.0% 14-01-31	EUR	7 545 000	6 093 403,00	9,99

3.12. INVENTORY BREAKDOWN OF FINANCIAL INSTRUMENTS IN EUR

Security name	Currency	Qty No. or nominal	Actual value	% of Net Assets
EUROPEAN FIX 270624	EUR	11 000 000	10 945 303,20	17,97
TOTAL LUXEMBOURG			**17 038 706,20**	**27,96**
TOTAL Reverse repurchase agreements			**42 069 484,19**	**69,05**
Indemnities on reverse repurchase agreements			**130 105,32**	**0,22**
Indemnities on securities borrowed			-14 535,07	-0,03

3.12. INVENTORY BREAKDOWN OF FINANCIAL INSTRUMENTS IN EUR

Security name	Currency	Qty No. or nominal	Actual value	% of Net Assets
Forward financial instruments				
Other forward financial instruments				
CFD				
1230	USD	66 395	4 207,35	0,01
CFD BC ADEVINTA 1230	NOK	102 386	3 019,97	0,00
CFD BC BLUEGREE 1230	UNKNOWN_CURRENCY	0,00	0,00	0,00
CFD BC DECHRA P 1230	OWN_CURRENCY	0,00	0,00	0,00
CFD BC NETWORK 1230	GBP	89 891	-1 867,22	0,00
CFD BC NORDIC W 1230	SEK	123 419	15 272,44	0,02
CFD BC SOVOS BR 1230	USD	5 016	499,49	0,00
CFD BC STRATASY 1230	USD	30 971	65 326,06	0,11
CFD CGMD IMMUNO 1230	USD	35 721	0,00	0,00
CFD JPM DISH US 1230	USD	-279 034	-271 137,84	-0,45
CFD JPX HESS CO 1230	USD	10 345	60 292,35	0,10
CFD JPX KIMCO R 1230	USD	-13 900	-15 854,80	-0,02
CFD JPX NETWORK 1230	GBP	111 051	-2 306,76	-0,01
CFD JPX NORDIC 1230	SEK	39 305	4 942,91	0,01
CFD JPX ORCHARD 1230	USD	11 667	2 534,81	0,00
CFD JPX ROVER G 1230	USD	46 794	-2 965,27	0,00
CFD JPX RPT REA 1230	USD	23 064	15 450,47	0,03
CFD UBS AMERICA 1230	USD	19 408	3 865,26	0,01
CFD UBS BLUEGRE 1230	OWN_CURRENCY	0,00	0,00	0,00
CFD UBS BROOKFI 1230	USD	-9 647	-35 892,97	-0,06
CFD UBS CAPRI H 1230	USD	21 614	35 610,81	0,06
CFD UBS EXXON M 1230	USD	-20 774	56 605,93	0,09
CFD UBS JSR COR 1230	JPY	47 800	-10 435,77	-0,02
CFD UBS KARUNA 1230	USD	2 128	-1 471,00	0,00
CFD UBS OHB SE 1230	EUR	-831	-373,95	0,00
CFD UBS PIONEER 1230	USD	8 942	-58 849,72	-0,10
CFD UBS RESTAUR 1230	GBP	1 267 263	5 849,69	0,01
CFD UBS SMART M 1230	GBP	72 319	-8 262,49	-0,01
CFD UBS SP PLUS 1230	USD	27 881	7 067,11	0,01
CFD UBS TEXTAIN 1230	USD	36 208	-1 638,89	0,00
JP CVX USD 1230	USD	-10 600	-58 113,16	-0,10
UBS AMEDISYS 1230	USD	20 816	35 986,47	0,06
UBS OHB0 EUR 1230	EUR	-15 905	477,15	0,00
TOTAL CFD			**-152 161,57**	**-0,25**
TOTAL Other forward financial instruments			**-152 161,57**	**-0,25**
TOTAL Forward financial instruments			**-152 161,57**	**-0,25**
Receivables			**10 125 860,91**	**16,62**
Debts			**-8 683 414,11**	**-14,25**
Cash and banks			**2 625 673,09**	**4,31**
Net assets			**60 925 522,55**	**100,00**

CANDRIAM RISK ARBITRAGE Z units	EUR	16 457,000	1 510,18
CANDRIAM RISK ARBITRAGE N units	EUR	1,796	963,08
CANDRIAM RISK ARBITRAGE R units	EUR	10 341,729	151,60
CANDRIAM RISK ARBITRAGE I2 units	EUR	1,000	1 504,50
CANDRIAM RISK ARBITRAGE C units	EUR	6 308,502	2 508,77
CANDRIAM RISK ARBITRAGE I units	EUR	11 717,381	1 518,36
CANDRIAM RISK ARBITRAGE R2 units	EUR	5 808,336	152,07